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South Ossetia Nuclear Issue

KOMSOMOLSKAYA PRAVDA reports South Ossetia continues to "confidently assert" that it has nuclear weapons on its territory although description of the "supposed atom bomb" has changed from a "geological-type nuclear weapon" to a "nuclear device with a non-series type charge." South Ossetian Prime Minister Oleg Teziyev claims "everything at our disposal will be used only in the event of our people being doomed to extinction, or if Tskhinvali is seized."

According to Moscow Radio, Colonel Dolgachev, chief of the Transcaucasus Military District Press Service, told an IPRINDA correspondent that the statement concerning "Ossetian militants" possessing nuclear weapons "does not correspond to reality" and stressed that even if the claims are true, "without the necessary launch installation...it is impossible to activate a nuclear warhead."

Ukrainian President Views CIS Future

Ukrainian President Kravchuk stated that "he does not feel any special optimism regarding the future CIS," reports ITAR-TASS. He added that "the Commonwealth does not have any definite status or a mechanism for tackling problems," and that it does not always take into account its members' efforts to achieve independence. Kravchuk suggested that some kind of association or league be created "where all members are equal." He notes that the CIS "is perceived as a new Soviet Union with Russia playing the leading role" and said Russia should do everything possible so that CIS members are equal.

ITAR-TASS also reports that a "senior Ukrainian official" said that "Ukraine is not ready to split from the economy of the Commonwealth and orient itself towards Europe," but that in time it will do so together with Russia "with which it is linked by common market and raw materials."

Fighting in Moldova Continues

"Fierce fighting" in Dubossary between Dniester guardsmen and Moldovan police was reported by ITAR-TASS. Bucharest Radio reports that the Moldovan Defense Ministry issued a communique stating that "the leadership of the 14th Army—under Russian jurisdiction—continues to be a destabilizing element of the situation" and that "the 14th Army continues to send weapons and ammunition to separatists." The ministry also stated that if the 14th Army involves itself in the fighting even further "such an act will be regarded as a follow-up to Russia's military aggression against independent Moldova" and all available Moldovan army units and equipment will be used against it, INTERFAX reports.

On the other hand, the Dniester Supreme Soviet announced that for a long time now, "an atmosphere of hostility and animosity has been constantly whipped up around the 14th Army" and if those servicemen are harmed in any way, the actions will be considered as "the gravest crimes perpetrated to subvert good relations between the population and servicemen" reports ITAR-TASS.

Russia Strengthens Borders, Customs Service

Russian President Boris Yeltsin announced at a government session in the Kremlin on 4 June that "urgent measures" had been decided on to "strengthen the Russian state border and customs service," IZVESTIYA reports. Some CIS states, "primarily in Central Asia," are making entries and exits into their territories without visas so "criminals and even intelligence agents are getting into Russia via Kazakhstan and are damaging its national interests." Russian border forces will be established under the Russian Security Ministry, "in addition to those that exist within the framework of the CIS," with such states as Ukraine, Azerbaijan, and "also a customs border with Georgia."

Ossetian 'Atom Bomb' Undergoes 'Modification'

PM0406122592 Moscow KOMSOMOLSKAYA PRAVDA in Russian 4 Jun 92 p 1

[Report by A. Kirichenko and S. Sokolov: "Nuclear 'Ace' or Bluff?"]

[Text] Despite the categorical denial from the Defense Ministry, the South Ossetian leadership is continuing to confidently assert that it has nuclear weapons at its disposal. Admittedly, in the week since the first report on this subject, the supposed atom bomb has undergone a substantial modification, changing from a "geological-type nuclear weapon" into a "nuclear device with a non-series type charge."

"Everything at our disposal will be used only in the event of our people being doomed to extinction, or if Tskhinvali is seized," South Ossetian Prime Minister Oleg Teziyev said in an interview with KOMSOMOLSKAYA PRAVDA.

Whether or not South Ossetia has the bomb will be clearer to military intelligence, but at any rate Teziyev's trump card has worked: The attention of the entire world is riveted on the region.

Military Chief Denies Ossetian Nuclear Claim

LD0406190892 Moscow Mayak Radio Network in Russian 1510 GMT 4 Jun 92

[Report by IPRINDA correspondent Surab Dvali]

[Text] The Georgian press today published the resolution on the Georgian parliamentary elections which will take place on 11 October this year. Sixty-nine deputies will be elected to the supreme legislative body of the republic for a period of three years. The elections are being held by multi-mandate constituency using the system of proportionality, and on the basis of valid transferable votes.

What percentage of the electorate takes part in the elections is of no significance with regard to recognizing the legality of the future elections, since the system under which they will be held guarantees the election of the necessary number of deputies.

Parliamentary deputies will not have the right to hold official posts of responsibility or to engage in any other permanent and paid work. An exception has been made only for the prime minister, who at the same time may be also a member of parliament.

Another theme to which the republic's public is devoting a great deal of attention is the development of events in the conflict zone. Colonel Dolgachev, chief of the Transcaucasus Military District Press Service, told the IPRINDA press correspondent today that the statement by the Ossetian militants, alleging that they possess nuclear warheads, does not correspond with reality since there are no nuclear warheads on the territory of the Transcaucasus. He noted also that even if the statement by the militants were true, nevertheless, without the necessary launch installation—which they certainly do not possess—it is impossible to activate a nuclear warhead.

The IPRINDA press correspondent has learned from Tskhinvali that the evacuation of the families of servicemen from that region is proceeding according to plan without incident. At present, a plan for the withdrawal of the men, officers, and warrant officers has been drawn up, which it is thought will begin after the families have been evacuated.

More on 'Leakage' of Nuclear Weapons Reports

PM0406135192 Moscow KRASNAYA ZVEZDA in Russian 4 Jun 92 p 1

[Russian Ministry of Defense Press Center report: "Returning to the Subject of the 'Leakage' of Nuclear Weapons"]

[Text] Reports continue to appear in certain mass media directly or indirectly confirming alleged cases of the loss of nuclear weapons belonging to the CIS Joint Armed Forces and the Russian Army.

Thus, on 29 May of this year VECHERNYAYA MOSKVA published a report which spoke of the sale of 23 nuclear warheads at one of the Far East military arsenals in March of this year. On 2 June the Vesti news program (Russian Television), and on 3 June NEZAVISIMAYA GAZETA circulated another "sensational" piece of news: The South Ossetian leadership has nuclear weapons in its possession and is prepared to use them for the purposes of defending the republic.

According to reliable data, the CIS Joint Armed Forces High Command and the Russian Ministry of Defense have not recorded a single case of the loss of nuclear weapons. They are all strictly recorded by the piece and reliably guarded in specially equipped stores. The Russian Army has no nuclear weapons in South Ossetia or indeed in the Transcaucasus at all.

Uranium 'Suitable For Military Use' Intercepted

PM0406174992 Moscow ROSSIYSKAYA GAZETA in Russian 5 Jun 92 First Edition p 7

[INTERCEPT report under "Radiodigest" rubric]

[Text] BBC: The Viennese police have seized around 1 lb of uranium suitable for military use. The police report says that the uranium had apparently been taken out of Russia in the trunk of a car. Seven people were arrested in connection with the incident: one Austrian, two Czechoslovak citizens, and four Hungarians.

'Entire Suitcase' Seized

PM0406205192 Moscow KOMSOMOLSKAYA PRAVDA in Russian 5 Jun 92 p 1

[Report by S. Frolov: "Nuclear Suitcase Falls Into Criminals' Hands"]

[Text] Why do the eggheads keep on inventing all manner of containers for the transportation and burial of radioactive materials when it can be done much more simply: On Wednesday [3 June] the Austrian police arrested two Czechs and four Hungarians in a Vienna parking lot. They had with them an entire suitcase (!) full of uranium-235 in the form of metal disks weighing 1.2 kg. This was reported by REUTER yesterday.

On the same day scientists from the Austrian nuclear center in Seibersdorf determined the "pedigree" of the uranium disks, which turned out to be components of a Soviet nuclear reactor.

According to the Vienna police antiterrorism department, the people they arrested are common criminals.

Warhead Storage in Tomsk Discussed With U.S.

LD0306132792 Moscow ITAR-TASS in English 1301 GMT 3 Jun 92

[By ITAR-TASS correspondent Vladimir Yakushev]

[Text] U.S. and Russian experts discussed on Wednesday [3 June] a possibility of constructing a depot in the Siberian town of Tomsk for storing charges from nuclear warheads liable for elimination.

The U.S. delegation, consisting of representatives of Departments of Defence and Energy, Los Alamos laboratory and an adviser of the U.S. Embassy in Moscow, met the leaders of the Tomsk-7 chemical plant, which had for long been a closed city.

The participants studied the project and sent it for expertise to the local ecology committee.

However, the purpose of the visit of the U.S. delegation caused great concern among local population.

Norwegians Search for 'Secret Dumps' in Arctic

LD0106200892 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1700 GMT 29 May 92

[From the "Novosti" newscast]

[Text] At the meeting of the world's seven industrially developed countries in Munich in July it has been decided to examine the question of closing down the 26 dangerous reactors of the Chernobyl type. Sources of radiation are a serious worry to foreign specialists. The results of some investigations are very unexpected.

[Correspondent M. Osokin] Norwegian specialists are starting to look for possible sources of radiation in the Arctic. It is reported from Oslo that it has been decided to begin by investigating the area near the sunken Soviet submarine, Komsomolets, which has given rise to contradictory reports.

Our military has stated that the results of measurements near the submarine are within the limits of the background radiation. But the Norwegians report that last year their instruments recorded traces of radioactive cesium from the hull of the submarine. They say that the traces are very weak but they do indicate a leak and this should be studied.

A report was published in Oslo recently on the results of last year's studies. AP has reported that, judging from this report, the submarine's reactor is no longer sealed. Now new samples of water will be taken near the hull of the Komsomolets in order to get a clearer picture.

Overall, the Norwegians plan this summer to compile a map of those regions of the Arctic where they suspect that there are secret dumps of Soviet nuclear waste. In the course of the preparatory work 14 sites have been selected for checking where Norwegian specialists fear there may be not only radioactive burial sites but also reactors and possibly whole submarines sunk in the Barents and Karsk Seas.

Agenda for Krasnoyarsk Reactor Shut Down Viewed

LD2905120492 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 0800 GMT 29 May 92

[Report by correspondent Yu.Sisoyev; from the "Novosti" newscast]

[Text] Until it reaches Krasnoyarsk the Yenisey is really a great, powerful, and clean river. But after the city limits, and particularly after the reactors of Atomgrad, the Yenisey becomes a zone—an ecological disaster zone. Many departments knew about this but they have kept silent up to now. And, apparently, everything would have remained secret had it not been for Roman Solntsev, the well-known Siberian writer who is, by the way, a physicist by education, and the survival committee which he set up and which first told of the radioactive contamination of the Yenisey on television's First Program. [video shows map of contaminated areas; cutting to interview with R.Kh. Solntsev, state secretary of the administration of Krasnoyarsk Kray]

[Begin video recording of Solntsev] I have here in my hand the agenda of the collegium of the State Committee for Supervising Nuclear and Radiation Safety under the president of Russia. It announces that from 1 June this year, the first direct flow reactor in our Atomgrad will cease work, and on 1 September the second direct flow reactor will cease work. What sort of reactors are these? It is probably necessary to say now that these were military reactors which made plutonium for bombs.

There is something else I fear. There is the following hypothesis. They may say: Take them back to where they were produced; dismantle the missiles and take these terrible lethal charges closer to where they came from. [end video recording]

So it is too early to feel reassured. The first and most difficult steps have been taken. But a lot of water will flow into the Yenisey before its banks are cleansed. [video shows river, industrial installations, committee meeting]

Byelarus Strategic Arms 'Wait for Their Turn'

LD0206183192 Moscow ITAR-TASS in English 1740 GMT 2 Jun 92

[By BELTA correspondent Tatyana Khryapina for TASS]

[Text] Minsk June 2 TASS—"The Republic of Byelarus is ready to join the treaties on non-proliferation of nuclear arms and limitation of conventional armaments in Europe," Chairman of the Byelarusian Parliamentary Commission on National Security, Defence and Anti-Crime Activities Mechislav Grib told Professor William Potter from the U.S. Monterey Institute of International Studies' Center of Russian and Eurasian Studies.

Potter, who heads the center, is currently on a working visit to Byelarus.

Grib expressed the assurance the Byelarusian parliament will ratify the international treaties at its regular session in fall.

"The final aim of Byelarus is to become a non-nuclear and neutral state. Our principled stand on this issue will not be changed, it reflects the point of view of the government, the parliament and the republican public," said Grib.

"Tactical nuclear arms have been completely withdrawn from Byelarus. Strategic arms wait for their turn, the time of which depends on Russia, whose territory accommodates the only enterprise eliminating nuclear charges.

"The approximate term of strategic arms withdrawal is seven years. It could be less if not for the difficulties created by holding of the economic reform and creation of the national armed forces. In addition, Byelarus lives under special conditions caused by the Chernobyl accident.

"Nevertheless, the Supreme Soviet keeps to the opinion one cannot gain political dividends from keeping strategic nuclear arms," said Grib.

Professor Anatoliy Volkov, director of the Byelarusian Scientific and Technical Center—The Institute of Radiation Safety Belrad, called attention to the fact peaceful nuclear uses are as dangerous for people as military ones.

"The Chernobyl accident is a vivid example of it. A total of 122,000 square meters of land fell out from economic circulation for a long time due to the radiation impact. Seventeen million people, including every fifth Byelarusian, children are no exception, still live on affected territories in Byelarus, Ukraine and Russia," said Volkov.

He is convinced only efforts of the entire international community can combat the aftermath of the major 20th century nuclear catastrophe.

In his turn, Potter stressed the United States will welcome any steps of Byelarus, if it is the first among the CIS states to ratify the above-mentioned international treaties on nuclear arms and conventional armaments in Europe. He assured Byelarus will receive the most favoured nation status on the part of the United States in the development of the economy, science, conversion and the solution of Chernobyl problems.

Unfortunately, they in the United States know little about Byelarusian problems, said Potter. He believes he will help Americans see the problems and troubles of Byelarusians.

Arms Expert Denies Treaty Violation Charges

PM0206142992 Moscow KRASNAYA ZVEZDA in Russian 2 Jun 92 p 3

[Commentary by G. Khromov, "Russian Federation Ministry of Industry expert on arms control questions and member of the delegation in talks with the United States on nuclear and space weapons": "Washington Rushes To Make Accusations. Is This Proper?"]

[Text] THE WASHINGTON POST reports that six U.S. senators have sent a letter to the U.S. President accusing our country of violations of the Treaty on the Elimination of Intermediate and Shorter Range Missiles (IMF), which came into force back in the middle of 1988. The letter in particular indicates that "secret armed forces" equipped with SS-20 and SS-23 missiles are deployed on the territory of the former Soviet Union. The same missiles whose destruction under the surveillance of U.S. inspectors was completed in the first half of 1991.

Now, however, citing unspecified "numerous intelligence reports," the senators claim that far from all the missiles were destroyed. Not one or two museum models, but hundreds of combat units were supposedly preserved. That is to say that it turns out that Russia supposedly managed to conceal some missile divisions. Is it necessary to say that in modern conditions this is absolutely impossible?

This is why, even compared with the statements of some of our new-fledged politicians and political analysts, whom we often accuse of incompetence and a lack of professionalism, these claims by the U.S. senators sound manifestly unconvincing. Nevertheless, some people do heed the senators, and some even share their "concern" and profoundly agree that they should directly link their exposures to proposals for Russian aid.

However, this is only one link in a whole chain of farfetched accusations. Recently, for example, the administration's latest report to the U.S. Congress appeared, "On the Nonobservance by the Former Soviet Union of Arms Control Agreements".

These reports have been presented since 1984. Today's report is an anachronism, testifying that its compilers have not yet been fully cured of the illness known as Cold War.

What accusations are being advanced?

You name it! However many bilateral and multilateral agreements there are in the sphere of arms control, that is how many, they say, our country is not fulfilling.

And even where the authors of the report cannot say anything specific, a "guilty" verdict is returned all the same, even if—evidently to deflect charges of prejudice—it is pointed out that "analysis of the data on the violations which have taken place is not yet complete."

Individual accusations contained in the report to Congress—about alleged violations of the ABM Treaty, for example—are so paradoxical that even P. Nitze, one of the leading representatives of the U.S. Administration at the original talks on limiting ABM systems, has noted that, first, these charges are farfetched and, second, "we have done the same ourselves; how come we could do it, but now they cannot?"

But what is surprising about that! Many people across the ocean continue to live according to double standards: They think that what the United States can do, others are not supposed to do.

Are there any deviations by our side from treaties and agreements? Unfortunately, there are. In particular, there was a deviation from the Treaty on the Reduction and Limitation of Strategic Offensive Weapons [START], signed 31 July 1991 (true, it has not yet come into force). Under that treaty the encoding of telemetry during missile launches should not be allowed. But this was done during the launch of a reequipped ICBM 20 December 1991. We acknowledged our mistake and took measures to ensure that such incidents do not occur in future. As for the Americans, they cannot indefinitely fail to see the beam in their own eye. They have committed a fair number of deviations from existing treaties. But Congress' attention is not drawn to these incidents.

This is not the custom with us. Suffice it to recall that during the discussion of the results from fulfillment of the IMF Treaty in the middle of last year a report was presented to the Supreme Soviet without any vehemance or loud words, containing a sizeable list of U.S. deviations from the treaty, together with an analysis of American comments and claims against our country. This report was published in full in the Ministry of Foreign Affairs Bulletin, and anyone wishing to do so can study it.

The fact that the claims advanced in the United States coincide with preparation for the visit of Russian President B. Yeltsin to Washington cannot escape attention. Obviously it is no accident either that this time has been selected to accuse Russia also of violating the regulations on the nonproliferation of missiles and missile technologies in connection with Russian-Indian cooperation in the sphere of peaceful space exploration—regulations which neither the former USSR nor, so far, Russia has officially endorsed, although they did announce their support for them in principle. Our refusal to agree to juridically endorse the regulations on the nonproliferation of missiles and missile technologies is connected right up to the present time with the discriminatory measures directed against our country (the existence of the notorious Coordinating Committee for Multilateral Export Controls rules, and a ban on the launch of foreign satellites by Russian missile carriers).

The Americans have decided to "punish" us—they have announced sanctions against the Russian Main Administration for the Development and Use of Space Technology for the National Economy and Scientific Research; this they have done according to the might is right principle. The point being that the very regulations for the nonproliferation of missiles and missile technologies themselves provide for a control mechanism—international consultations among technical experts. Only such consultations can determine who is guilty of what. In the case of the Russian-Indian project there have been no such consultations of experts whatsoever.

Moreover, it is thought that if such consultations had actually taken place, they would not have confirmed any "violation." The Russian Ministry of Foreign Affairs has risen to the occasion on this issue, and has not balked at drawing the Americans' attention to the fact that, before the official presentation of charges, international consultations of technical experts should have been held.

As for all these accusations of "violations," the standard question arises: Who stands to gain from this?

It is the U.S. circles which will not accept equal partnership between the two countries which obviously stand to gain from this. And these circles still possess great, if not decisive, power in the formation of state foreign policy.

'Start' Launcher Based on SS-20 Missile

927Q0171A Moscow MOSKOVSKAYA PRAVDA in Russian 27 May 92 p 5

[Article by A. Kostin: "Conversion. The Missiles We Are Assembling"]

[Text] We have been talking about conversion for a long time. We have been engaging in it for approximately the same amount of time. Instead of tanks we have begun to make nails, and instead of grenades, ashtrays, but nobody has been able to think of anything to do with the ballistic missiles. The presentation of the first Russian

"Start-1" complex took place yesterday. The project is unique in terms of both its complexity and its purpose.

The fact is that the missile launcher was created on the basis of the SS-20, which caused a big stir at one time, and it can put into orbit a quite peaceful payload with a mass of up to 500 kilograms. It costs one-tenth as much to produce as its foreign counterparts. The I.V.K. joint-stock company, which is working on implementing the project, hopes that the series production that has now been arranged will make it possible to put the "Start-1" on the international market fairly rapidly and even significantly reduce its price.

Here one must say a few words about the I.V.K. joint-stock company itself. It has a considerable scientific-production potential. An I.V.K. plant is now going on line for producing personal computers and also electronic equipment for its own developments. In addition to this, the joint-stock company works on software, processing and exporting timber materials, metal items, energy bearers, and export-import operations, it provides marketing and transportation services, and it is developing financial and investment programs.

But let us return to the missiles "which we are assembling." The "Start-1" complex is intended for putting space equipment into orbit not only from the territory of the CIS but also from the territories of other states, for example, the United States and Canada.

It should be added that in all stages of the rocket they have installed solid-fuel motor components which use special fuel with a low content in the combustion products of compounds that are harmful to the environment, which provides for greater ecological safety of the launches.

If you just think about this project, you will for the umpteenth time come to this conclusion: The country which has almost the greatest scientific and production potential in the world is in a state of deep crisis as usual. Perhaps we should look at the possibilities of conversion again and again, and more attentively. (Of course, without paying any attention to the innocent jokes at the beginning of this article.)

P.S. And here is also just a little bit of information exclusively for specialists:

Maximum mass of payload launched into the equatorial orbit

(inclination 0 degrees, latitude of starting point 0 degrees)

Altitude of orbit, kilometers	350	500	700	1,000
Mass of payload, kilograms	500	450	380	300

Maximum mass of payload launched into polar orbit

(inclination 90 degrees, latitude of starting point 0 degrees)

Altitude of orbit, kilometers	350	500	700	1,000
Mass of payload, kilograms	300	260	200	135

Test Launch Scheduled

PM0106114392 Moscow Russian Television Network in Russian 1900 GMT 26 May 92

[Video report by M. Ponomarev, A. Arbuzov; from the "Vesti" newscast]

[Text] [Ponomarev over shot of video screen showing details of Start-1] Today the "Kompleks" scientific and technical center presented specialists with a product of conversion for them to assess—one that is unmatched anywhere in the world. Combining its technical achievements with money from a joint stock company, the center has developed the "Start-1" reusable mobile space rocket complex. The unique nature of Start is that its commissioning will make it possible to launch all kinds of satellites into near-earth orbit using a delivery vehicle well known to the whole world under the code name SS-25. This military ballistic missile complex can be deployed practically anywhere. The installation is unprecedentedly economical and efficient in its new sphere of use. It is also very important that the entire program is financed quite separately from the budget. A test launch involving putting a satellite into orbit is scheduled for December. [video shows models, designs, film of rockets]

Moscow Hosts Conference on Weapons Disposal

PM0406101592 Moscow KOMSOMOLSKAYA PRAVDA in Russian 3 Jun 92 p 3

[S. Ivanov report under the "From Missile Life" rubric: "We Do Not Need Advice, Build Us a Dump"]

[Text] The hopes that every Soviet family would acquire a separate apartment by the year 2000 have crashed, as has another slogan by the same author calling for the total elimination of nuclear weapons by the end of the millennium. At any rate, our closest partners in distant foreign parts are not striving to become nuclear-free by then.

At the same time everyone is perfectly well aware that it is necessary to reduce nuclear potentials. At the international conference "Democratization of Society and Military Security," which is being held in Moscow at this time, everyone—ranging from top military officers to politicians and the actual developers of weapons at Chelyabinsk-70 and Arzamas-16—has arrived at a consensus on this question. According to V. Mikhaylov, minister for atomic energy, approximately $2 billion will be required in order to implement B. Yeltsin's strategic nuclear initiatives in the space of five to 10 years.

Western countries are prepared to give us real assistance here too. It was here that a certain misunderstanding arose at the conference: What specific assistance do our nuclear scientists need today? Siegbert Fischer of the Transatlantic Nuclear Research Center, for example, spoke of the readiness of a number of German firms to finance a program for the dismantling of Russia's nuclear weapons and to send their specialists to us. He said that businessmen, however, would like to know how many nuclear weapons have been produced and where they are....

I asked S. Voronin, chief designer at "Arzamas-16," one of Russia's federal nuclear centers, to comment.

"Foreign representatives who are seeking to assist in the disarmament of Russia believe that they must participate in the dismantling, and they are doing all they can to obtain information of this kind. You understand, we do not need this kind of assistance. We have the necessary production capacities and top-class specialists. The problem is a different one. The scale of the dismantling and disassembly is such that the problem of storage arises. There is a shortage of storage premises and packing containers for materials."

Roundtable Addresses Nuclear Power Effects

LD3005052692 Moscow Radio Rossii Network in Russian 1800 GMT 28 May 92

[Excerpts] A roundtable meeting has been held at the Russian Ministry of Ecology and Natural Resources on the subject of the social and ecological consequences of the operations of nuclear facilities on Russian territory. Here is our correspondent Andrey Zenkov with the details.

[Zenkov] In the Chelyabinsk area in early May, joint Russian-American research on the effects of the Mayak defense complex on the region's ecology was concluded. In the state of Washington in the United States, there is a similar complex, and certain parallels are immediately apparent. [passage omitted]

At the meeting, Vorontsov, former USSR ecology minister, hinted at the existence of a nuclear mafia influencing the government. It has long been remarked that government officials make their most controversial statements after leaving office. Here is what Lidiya Popova, director of the program called power generation, the environment and nuclear ecology, from the nongovernmental organization Social Ecological Union, told me:

[Begin Popov recording] It's no secret. It's called either the nuclear lobby, or mafia, or some other name. These are people who have been involved in the production of nuclear materials all their lives. This is where their skills lie. And there is also a complex social and psychological problem. If all this ceases, these people will lose their jobs. That's clear. The influence of the nuclear lobby on the government was confirmed by Yegor Gaydar's recent directive. He issued what one could call a decree ordering the continuation of the construction of nuclear power stations on Russian territory absolutely everywhere, including the Yuzhno-Uralskaya fast-neutron atomic power station. And 700 million rubles is already being allocated for this breeder this year. You know, this is in violation of all the laws. The first Congress of People's Deputies adopted a decision to halt construction until a plan for dealing with radioactive waste was drawn up and certain measures adopted. The government, headed by Yegor Gaydar, is simply violating this decision. He has gone and issued this directive on the sly. [end recording]

Nuclear Collective Reported Under Threat

PM0206153992 Moscow ROSSIYSKAYA GAZETA in Russian 30 May 92 First Edition p 4

[Unattributed report: "Possibilities and...Financial Bankruptcy"]

[Text] Russia deserves to be among the leading powers with a high scientific potential: Its nuclear reactors institute in the Volga city of Dimitrovgrad meets contemporary international standards. The members of a technical committee working for four days in the Central Volga region of Ulyanovsk Oblast under the aegis of the International Atomic Energy Agency [IAEA] came notably to this conclusion.

It is particularly paradoxical that today the collective of the nuclear reactors scientific research institute, which was the subject of such flattering comments from foreign scientists, bears the burden of undeserved financial adversities. Resources are not being allocated for scientific experimental programs. Its core of highly qualified specialists, which has formed over a period of 35 years, may find itself without any work through no fault of its own. But is it possible for such a thing to happen? The Dimitrovgrad nuclear workers have no answer to this question as yet, although they did not damage the honor of Russian science when worthily receiving the earth's leading nuclear scientists under the auspices of the IAEA.

'Positive' Start to Nagorno-Karabakh Meeting

PM0406140192 Moscow IZVESTIYA in Russian 3 Jun 92 Morning Edition p 5

[IZVESTIYA PRESS SERVICE report: "Helsinki Conference Participants in Rome Try To Stop Bloodshed in Karabakh"]

[Text] An international meeting on the situation in Nagorno-Karabakh has begun in Rome.

This conference, conducted under CSCE patronage and with Armenia, Azerbaijan, Russia, Byelarus, Italy, the United States, Germany, Czechoslovakia, Sweden, France, and Turkey participating, is an important step in preparing for the international conference on Karabakh set for 23 June in Minsk.

The chairman of the meeting, Italian parliamentarian and diplomat Mario Raffaelli, has described the start of the meeting as positive, REUTER reports from Rome, despite the absence of representatives from the Armenian community of Nagorno-Karabakh. Previously, Raffaelli had tried unsuccessfuly to contact them by telephone to find out why they refused to attend the meeting.

Observers consider that the absence of the Karabakh Armenians is due to other participants in the meeting categorically rejecting their demand for the community to be granted the status of a full participant representing a sovereign state. According to Raffaelli, the absence of the Karabakh Armenians is bound to have an effect on the results of the meeting. Despite this, however, it has had a constructive start and "elements have appeared which can be worked on."

The CSCE's first attempts to stop the bloodshed in Nagorno-Karabakh were made in March, but the rapid advance of Armenian forces and their seizure of the city of Lachin in May jeopardized the emerging peace progress. As a result of the new configuration of forces, the local crisis threatens to turn into an international conflict in which Russia would be opposed by Turkey, a NATO member.

As Raffaelli pointed out at the meeting, the main task of the Rome meeting is to prevent any escalation of hostilities. Regarding possible military intervention by Turkey, the chairman noted, as AP reports, that "so long as talks are going on, the likelihood of intervention by other states in the conflict is reduced."

The Rome meeting has examined the question of the possibility of sending CSCE observers to Karabakh, but in the opinion of REUTER, this is unlikely in the very near future.

Further on Conference

PM0506144192 Moscow IZVESTIYA in Russian 5 Jun 92 Morning Edition p 5

[Mikhail Ilinskiy report: "CSCE's Potential in Nagorno-Karabakh Limited"]

[Text] Rome—A meeting to prepare for a CSCE conference on Nagorno-Karabakh has completed its work in the old town of Villa Madama near Rome. This conference will be held in Minsk 23 June.

Observers had two differing impressions of the course and results of the meeting (it started an hour late owing to the absence of the delegation from the Armenian community of Nagorno-Karabakh). Some took a pessimistic view of the meeting between representatives from 11 countries.

Others, on the contrary, believe that it is necessary to step up international efforts, to help the Azerbaijani and Armenian communities to reach agreement, and to prevent this acute conflict escalating—as LA REPUBBLICA put it—into an "international military confrontation." There is a possibility of the Azerbaijanis asking neighboring Turkey to come to the aid of Nagorno-Karabakh's Muslim population. The Rome newspaper states that there are military-political circles in Turkey which hold "hegemonistic and expansionistic views." The progress of international talks under CSCE auspices reduces the likelihood of such a turn of events. Moreover, Turkey's position on NATO's southern flank imposes particular obligations on Ankara and requires supreme caution.

The meeting's participants spoke with great concern about the situation in Nagorno-Karabakh itself, where more than 2,000 people have already been killed. As for the CSCE's potential for influencing events within the region, it was stressed at the Rome meeting that it has "very limited means" available to it.

Tutwiler on COCOM, Export Controls Forum

PM0506140092 Moscow IZVESTIYA in Russian 4 Jun 92 Morning Edition p 5

[Aleksandr Shalnev report: "CIS Countries Enter COCOM, But Only Get as Far as the Entrance Hall"]

[Text] Washington—Russia and other countries of the former Union have almost become members of COCOM [Coordinating Committee for Multilateral Export Controls]—the organization of 17 industrially developed states, mainly NATO states, which for four decades controlled the export of goods and sophisticated technologies to Eastern Europe and the USSR.

They have not, however, allowed us to join COCOM itself, but have proposed that we join a new, recently created department called the "export controls cooperation forum."

The decisions adopted on this matter by the COCOM leadership were announced 2 June by the State Department of the United States, which apparently played a key role in bringing the former Union closer to membership of this organization.

But there was no question of the Union becoming a member of COCOM. The idea, which came from the United States and from Secretary of State James Baker personally, was for something different: to try to establish with Russia and the other republics some kind of cooperation that would help block the leakage of sophisticated technologies from the CIS to those countries where dictatorial regimes are in power. In the West, and particularly in the United States, the prospect that Russian nuclear scientists could begin to cooperate with those regimes is causing serious concern.

The creation of a "cooperation forum," which, it is clear from the statement by State Department spokesman Margaret Tutwiler, will have unofficial status, is one means of preventing such leaks. At sessions of the forum, the first of which should take place in the very near future, Russia and the other CIS countries will be "helped to develop their own export control systems" and given assistance in preventing the unauthorized transfer of technologies.

The question arises: What will Russia or the other republics of the former USSR actually gain from this?

The State Department's answer is: The COCOM member countries have agreed to relax certain bans and restrictions with regard to the CIS. The relaxation applies primarily to telecommunications technologies, including fiber optics. The bans that existed here are being lifted immediately, which, according to Tutwiler, "will make it possible to ensure rapid and reliable telecommunications between the new independent states and the West."

Certain reporters present at the State Department briefing had suspicions: Is the lifting of restrictions on telecommunications equipment and technology designed to promote more active and profitable penetration of our market by giant corporations like, for instance, American Telephone and Telegraph?

"According to your estimates," they asked Tutwiler, "how much will ATT and other companies make from this?"

The State Department spokesman could offer no estimate.

While lifting certain restrictions, COCOM decided to keep others. As the State Department spokesman reported, exports from COCOM countries of high-speed computers, including supercomputers, munitions, "invisible" materials, and so forth will still be banned.

"Are the CIS countries now, in terms of their level of access to Western technology, at the same level as noncommunist countries, or are they somewhere in between what used to be and what could be?" the correspondents asked.

"Somewhere in between," Tutwiler replied.

Role of NATO Peacekeeping Forces Viewed

PM0506125992 Moscow KRASNAYA ZVEZDA in Russian 5 Jun 92 p 3

[Article by M. Grigoryev: "Will NATO Solve Our Problems for Us?"]

[Text] A session of the NATO Council at foreign minister level began work in Oslo yesterday. And although a large number of questions have been put on the agenda, the main one will be the question of ways of settling armed conflicts in Europe and of NATO's role in the process.

I recall that at the May session of the NATO military planning committee and nuclear planning group an agreement in principle was reached on putting the bloc's military formations at the disposal of the CSCE to carry out peacemaking operations. Here the possiblity is not ruled out that these "rapid deployment" forces may be also used, at the CSCE's request, naturally, outside NATO's zone of responsibility.

According to Western analysts' reports, the idea of using NATO military formations under CSCE auspices to settle existing or potential conflicts is meeting with support from all participants in the alliance. Here, it is true, it is stipulated that NATO has the right to decline requests from the CSCE to use force and also that any NATO country has the right to take part in these actions exclusively on a voluntary basis.

But since it has not yet been noticed for any disputes to arise between NATO members requiring the introduction of NATO peacekeeping forces onto their territory, and they are resolving existing problems by their own efforts, then it seems obvious that as of the present the former Yugoslavia and a number of republics of the also now defunct Soviet Union come within the zone of the possible operations of NATO's "peacekeeping forces."

So far only one thing is unclear—what the mechanism for this process will be. But the participants hope to reach a single opinion during the session's sittings. Of course, it may be hoped that in the near future the NATO "blue helmets" will not take part in the solution of the conflicts between Armenia and Azerbaijan and Moldova and the Dniester region. Yet after all this possiblity is not now ruled out. Especially as some politicians and organizations in the CIS countries are openly calling for just that. Therefore it is probably worth returning to the idea of creating special forces within the CIS which will fulfill the same functions. Or can we not resolve our own problems without NATO?

Further Reportage on CSCE Meeting in Helskinki

OW0206114992 Moscow INTERFAX in English 1045 GMT 2 Jun 92

[From the "Diplomatic Panorama" (DP) feature; transmitted via KYODO]

[Text] BALTFAX quotes member of the Estonian delegation to the Helsinki conference Mart Nutt as saying that Russian still pursues a hostile policy in relations to ethnic minorities. He said that the small Finno-Ugric ethnic groups populating Russia, were pressed out of their traditional places of residence and are still deprived of an opportunity to receive an education in their native language.

A Russian expert in small Finno-Ugric ethnic groups told DP that the problem raised by the Estonian diplomat does exist.

The cultural and linguistic revival of Russia's small ethnic groups, including Finno-Ugric, is a long process which will cost too dear.

He said, however, that he categorically opposed the statemenet to the effect that Russia pursues a hostile policy in relation to its small ethnic groups. He said this statement was aimed at distracting the world public's attention from violations of the rights of ethnic Russians in Estonia. In accordance with a law which has just gone into effect, most of ethnic Russians living in Estonia have been deprived of Estonian citizenship. Ethnic Russians account for about 40 per cent of the Estonian population. In the north-west of Estonia they make up about 90 per cent of the local population.

Latvian View of Russia Noted

LD2705174692 Riga Radio Riga International in Latvian 0430 GMT 27 May 92

[Excerpt] The position of Moscow in relation to the Baltic states, including Latvia, is becoming increasingly more aggressive. This is the basic thesis of a document submitted by the Latvian delegation at a regular session of the CSCE. [passage omitted]

International Congress of Slavic Cultures Ends

LD0106112592 Moscow ITAR-TASS in English 0839 GMT 1 Jun 92

[By ITAR-TASS correspondent Anatoliy Kakovkin]

[Text] Voronezh June 1 TASS—The International Congress of Slavic Cultures wound up its proceedings in the southern Russian city of Voronezh where over 70 of its participants headed by sculptor Vyacheslav Klykov, president of the International Fund of Slavic Literature and Culture and deputy chairman of the organising committee, moved from Moscow.

Participants adopted an appeal and a whole package of documents concerning cultural as well as close economic interaction of all Slavic peoples. Specifically, it was decided to form a World Slavic Union, an All-Slavic Economic Union, an Investment International Commercial Joint-Stock Slavic Bank and the International Agrobank Russkiy Chernozyom.

All of these measures are aimed at rejuvinating the Slavic states' economies, backing Slavic communities in various countries and also at developing the science, education and culture of the Slavic civilisation.

'Russia' Faction Stance Viewed

OW0206190392 Moscow INTERFAX in English 1810 GMT 2 Jun 92

[Transmitted via KYODO]

[Text] Speaking at the International Congress of Slavic Cultures which ended in Moscow on June 1, Sergey Baburin said that Russia's joining the International Monetary Fund was a bad mistake. He said that the IMF was a major instrument of industrialized states' economic domination.

In confirmation of his statement, he said that since 1984, none of the G7's members has used IMF credits. Neither have the newly-industrialized states asked for any soft loans.

Baburin urged the Russian leaders to consider the possibility of obtaining loans from alternative sources, above all from the Arab states, including Iraq.

Bagdad, said Baburin, would be glad to repay its debt worth 7 billion roubles to Russia on the condition that Russian experts would return to Iraq.

Central Asian Islamic Resurgence Assessed

LD0106211792 Moscow Radio Moscow in Arabic 1500 GMT 31 May 92

[Text] Articles in the Russian press focusing on events in Central Asia clearly indicate the high level of concern vis-a-vis the rise of conflicts in the area. One must admit that the nature of this concern has changed in a noticeable way in recent months. As recently as 18 months ago, Central Asia was considered a stronghold of conservatism and a strong center of support for Gorabachev's federal government. However, with the collapse of the Soviet Union and the emergence of the CIS, concern grew about the emergence of a rival state, a so-called Community of Islamic Republics.

While that did not happen and Central Asia became part of the CIS, those fears reemerged again in the winter and spring of this year, especially in light of the rise of Islamic influence vis-a-vis politics in Central Asia. Concerns were especially heightened in Russia, which has a high proportion of Muslims in its population. Fueling these fears are the recent problems Russia is facing due to the ambiguity of the regional political situation in Central Asia. We talked with Dmitriy Narcissov, an official in the Russian presidency, a scientific researcher in the Russian-American university, and a political scientist, and asked him to comment on the situation in Central Asia and the state of Russia's relations with the republics of this region.

Dmitriy Narcissov says it is important today to fully assess the real dangers facing Russia in the Central Asian region. Narcissov says the following issues must be emphasized in this context: first, the situation characterized by the rise in instability in Central Asia constitutes a danger to Russia, in addition to the fact that this potential unrest might spread to other Russian areas. This could take many forms, including a rise in hostilities against ethnic Russians in Central Asia, an issue which might lead to a general influx of Russians and Russian speakers from the Central Asian region. This might destabilize the political and social situation in Russia.

Narcissov says the second danger is an economic one, based on the fact that Central Asia, in particular Uzbekistan, is the largest cotton producer in the former Soviet Union, and Russia is the largest consumer of Uzbek cotton. It was recently noted that if these economic relations are severed, then possibly hundreds of thousands of textile workers could lose their jobs, which could pose severe social and political problems for government authorities in Moscow.

Narcissov says the third danger is linked with Russia's recent loss of influence in Central Asia and the corresponding move by other countries in the region to fill the influence vacuum. Of particular concern are recent steps by Iran and Turkey to stake a major economic claim in the area. Moves by other countries, including Israel and Saudi Arabia, are also a source of concern, according to Narcissov.

There is some concern in Moscow that in their attempt to fill the power vacuum in Central Asia, these countries may import traditional conflicts to the region, as has been the case in Afghanistan, where problems between Iran and Pakistan appeared. In view of this, the biggest danger to Russia is the emergence of national tensions and strife in a region laced with nuclear arms. It is known that nuclear weapons are on the threshold of appearing in India and Pakistan, and it is quite possible that Iran will become a nuclear state in the very near future. As for Turkey, it is a NATO member, consequently it has all the possibilities of consolidating its policy in this region in a (?periodical) military way.

The development of any international conflict in Central Asia would represent not only a great danger to Russia but also for all the neighboring countries. The Russian political scientist concluded by stating that this is why the main task in the development of Russian foreign policy toward the region is to prepare in advance for multipartite bodies to keep regional conflicts at a low level in order to jointly settle problems that might arise in Central Asia.

International Currencies Conference Ends in Kiev

LD3005225892 Moscow ITAR-TASS in English 1950 GMT 29 May 92

[By UKRINFORM correspondent Valentin Vernodubenko for TASS]

[Text] Kiev May 29 TASS—An international conference with the theme "The Introduction of Natural Currency in Central and East European Countries—Practical Aspects" ended here today.

The forum was attended by representatives of Byelarus, Latvia, Lithuania, Moldova, Ukraine and Estonia, as well as the World Bank, the International Monetary Fund, the European Bank for Reconstruction and Development and the Center for European Policy Studies.

Speaking at a news conference on results of the conference, First Deputy Chairman of the Ukrainian National Bank Board Nikolay Sivulskiy said its participants tried to find out the reasons for grave situation in the monetary relations sphere in the rouble zone countries, elaborate corresponding recommendations and find ways to solve these problems.

They noted the deep economic crisis the countries, including Ukraine, are living through is a result of deep economic processes of restructuring and adaption to market relations.

To a considerable extent, the grave crisis position of enterprises, caused by the payment crisis, was provoked by non-coordinated policy of the rouble zone states.

The conclusion the forum participants came to was the following: The policy of the Russian Central Bank does not allow other states, including Ukraine, to hold efficient economic reforms. Thus, in order to make it, they have to separate from the rouble zone and introduce national currencies.

At the same time, the conference participants stressed their interest in the rouble stability and cooperation with the states to remain in the rouble zone.

Kyrgyzstan, Kazakhstan React to PRC Test

PM0206150492 Moscow KOMSOMOLSKAYA PRAVDA in Russian 2 Jun 92 p 1

[K. Bayalinov report: "Chinese Firecracker Will Surprise Plenty More People"]

[Text] China, now Kyrgyzstan's friend (following the signing of a treaty), has exploded a nuclear device. The one-megaton explosion thundered out at the Lobnor range in the Xinjiang Uygur Autonomous Region, which borders on Kyrgyzstan and Kazakhstan.

According to some reports, the explosion, with a huge yield, was carried out very close to the land surface.

The Kazakhs hurried to protest. The Kyrgyz kept silent. Whether still under the influence of President Akayev's triumphal visit to China (it is rather embarrassing to start your friendly relations with protests), or whether because they felt that the torrential rain, torrents, floods, and powerful earthquake in the south of the republic have absolutely no connection with this unfortunate explosion. And the scientists are still silent on this point. Maybe they too find it embarrassing? Only President Akayev has thus far expressed concern over this serious incident, but mildly and diplomatically.

Defense, Military Talks Held in Britain

LD0106052192 Moscow Russian Television Network in Russian 1900 GMT 29 May 92

[From the "Vesti" newscast]

[Excerpt] Armed forces representatives from Great Britain, the ex-Soviet republics and the members of the now-defunct Warsaw Treaty Organization have been holding wide-ranging discussions in London. They were debating democratic control of defense and sharing experience on how to organize the military. You must agree that this kind of talk was inconceivable not so long ago. This, incidentally, was stressed in an interview with us by Frank Alexander, who presided over the meeting and who is one of the senior officials of Britain's Royal Armed Forces Institute. He described the meeting in London as historic, an opinion shared by all who took place. [passage omitted]

Military

Azerbaijani Minister, Commander Interviewed

PM2805151192 Moscow KRASNAYA ZVEZDA in Russian 27 May 92 p 2

[Interviews with Azerbaijani Defense Minister Rakhim Gaziyev and Major General Nikolay Popov, 4th Army commander, by correspondent Captain Third Rank V. Maryukha; place and date of interviews not given: "Russian Soldiers Leave Azerbaijan. Will They Ultimately Be Drawn Into Karabakh Conflict?"—first two paragraphs are introduction]

[Text] Following the Tashkent meeting, the CIS Joint Armed Forces troops stationed in Azerbaijan and under Russian jurisdiction were able to heave a sigh of relief: They are leaving. The agreement reached also stipulates the withdrawal deadlines and the sides' obligations. However, it is not that easy to withdraw troops through the scorching fire of an interethnic conflict. How exactly will it be done?

Our correspondent approached the Republic of Azerbaijan Defense Minister Rakhim Gaziyev and Major General Nikolay Popov, 4th Army commander.

Republic Defense Minister Rakhim Gaziyev

[Gaziyev] Armenia has prepared soundly for combat operations. It has on its side the equipment left behind when the 366th Regiment withdrew. Volunteers armed only with small arms fought on our side against this force, which explains our recent defeats.

Previously the people subjected to bombardments from the Armenian side proceeded to acquire weapons by any means, including by capturing them from CIS Joint Armed Forces servicemen. Now there can be no question of this. We have normal relations with the 4th Army. The schedules for transferring the remaining property and military equipment to us have been approved, and the deadlines for the withdrawal of departing subunits have been agreed. Contracts will be concluded with servicemen who wish to stay to perform service in the Azerbaijani Army—nobody is forcing them to swear the oath a second time. On completing their service they will be guaranteed pensions and the opportunity to obtain housing in any region, should they wish to move. The remainder will be able to leave peacefully for a new place of service after their equipment has been handed in to us.

[Maryukha] What you have said obviously means that the Azerbaijani Defense Ministry does not intend to involve Russian servicemen in combat operations on its side?

[Gaziyev] For over 70 years we lived in one Soviet Union and for over 200 years we have maintained friendly ties with Russia, and we do not intend to destroy these ties. However, that does not mean that we will forcibly involve somebody in defending the land of our forefathers. It is just a question of transferring weapons and equipment to us—on which, as I have already said, an agreement has been reached, of exchanging experience with skilled military specialists, and of training our military cadres in Russian military higher education establishments in the future.

[Maryukha] What tasks are you currently setting your armed forces?

[Gaziyev] The creation of the Azerbaijani Republic Armed Forces pursues the aim only of protecting the republic's borders, which are now being threatened by Armenia. I see no victors in this war, and I am ready to solve all problems at the negotiating table and assess the events that have already happened. I think that we should be supported in this by the entire civilized world and the emerging democracies of Russia and the other former Union republics. Otherwise the war in Karabakh could become the spark igniting a third world war.

Maj. Gen. Nikolay Popov, 4th Army Commander

[Popov] Following Russian President Boris Yeltsin's decree on extending Russia's jurisdiction to troops stationed in Azerbaijan, the attitude toward us improved considerably. And the Tashkent meeting, where Army General P. Grachev approved the schedule for the 4th Army's withdrawal and the transfer to the Azerbaijani side of its remaining property and equipment, sorted everything out. The agreements reached bilaterally have defined our status—the status of troops temporarily located on the republic's territory. The process of privatizing troops that was begun unilaterally has been halted. Over 50 of the 4th Army's security detachments, which were performing the function of separating the warring sides, have been removed from their positions. The troops have thereby been withdrawn from participation in the interethnic conflict, and to this day I regard the involvement of over 2,000 people in it as illegal.

[Maryukha] Nikolay Glebovich, does this mean that no problems remain in mutual relations with the Azerbaijani side?

[Popov] The attempts to forcibly take weapons and equipment from our servicemen that took place after the agreements were signed were not, in the Azerbaijani side's opinion, undertaken on legitimate grounds but by disbanded armed formations not under the official authorities' control. There are problems with the transfer of the remaining equipment to the Defense Ministry. For example, five people came to take over a tank regiment, which has over 100 items of armored equipment. At this rate there is no way we can stick to the approved schedule. Other problems are entirely solvable, but likewise there must be no delays over them.

[Maryukha] But I heard in the Azerbaijani Defense Ministry that the departing units prefer not to transfer equipment and weapons officially but to sell them to anybody who wants them...

[Popov] There have indeed been such cases. I have instituted around 100 criminal cases concerning instances of loss of property by troops. But the military prosecutor's office has already been transferred to the Azerbaijani Defense Ministry, which is naturally not investigating our reports.

[Maryukha] Nikolay Glebovich, has the Azerbaijani Defense Ministry not expressed the desire to see 4th Army subunits in its battle formation in Karabakh?

[Popov] This has been raised repeatedly. We are not blocking the transfer to the Azerbaijani Army of officers wishing to stay here. There are not that many of them, around 7 percent, but they nevertheless exist. Most of them have lost contact with the Russian Army; I have excluded them from unit rosters. But when they come to us for advice, we do not turn them away. But there cannot be an armed intervention by the Army in the conflict. It is another matter that representatives of many of the former Union republics are fighting on a contract basis as part of Azerbaijani subunits, but this is really their personal affair. Incidentally, as it is the personal affair of volunteers fighting on Armenia's side. I believe that we will never receive an order from the Russian Defense Ministry to participate in the combat operations, and that not a single Russian soldier will fight for either side.

Military Security Conference Ends in Moscow

LD0406092392 Moscow ITAR-TASS in English 1814 GMT 3 Jun 92

[By Roman Zadunaiskiy]

[Text] Moscow, June 3 TASS—"We have managed to find approaches towards cooperation among the military, scientists and politicians on military security in the process of the democratization of the society," academician, Major-General in reserve Nikita Chaldymov, president of the association "The Army and Society," said commenting on the results of the international conference "The Democratisation of Society and Military Security" which ended today at the Academy of the General Staff of the Commonwealth Joint Armed Forces in Moscow.

At a news conference devoted to the forum Academician Chaldymov said for three days scientists, politicians and the military were discussing actual issues of the world community's security. Major attention centered on nuclear weapons. The discussions showed that Russian and foreign politicians, scientists and the military are ready to render real assistance to the new Russian Defense Ministry in the settlement of complex tasks of ensuring security of the state. It is Russia as a powerful country in the military respect that is a guarantor of peace and stability, the general accentuated.

In reply to a question, whether the reduction of the nuclear arms test programme in the Commonwealth by four times is scientifically substantiated, corresponding member of the Russian Academy of Sciences, Professor Boris Litvinov, one of the development engineers of nuclear weapons, said two to four explosions a year are sufficient for the settlement of the top-priority tasks. In future all will depend on the concrete situation. The professor stressed that in connection with the closure of the Semipalatinsk test range the load on the federal proving ground on the Novaya Zemlya archipelago will not increase as formerly the same number of underground nuclear explosions were set off there. However, the Arctic natural conditions may cause changes in the operation of this test range, while in Kazakhstan nuclear tests were carried out all the year round.

External Borders To Remain Under CIS Guard

LD3005024992 Moscow Russian Television Network in Russian 1900 GMT 28 May 92

[From the "Vesti" newscast]

[Text] The borders of the homeland are sacred and inviolable. This phrase, which became a motto for the border service, can now be interpreted by each of the CIS states to their own benefit. Ukraine and Moldova have announced the creation of their own border guards, and the drafting of a law on Russia's state border is now in the pipeline. [video shows border guards on sentry duty]

Will there be thousands of meters of barbed wire fracturing the destiny of millions of people who don't want to live in someone else's country?

[Begin B. Agapov, deputy commander in chief of Border Troops, recording] I do not think that this will happen in the near future or in the coming few months. The heads of most of the states reached agreement that everything will remain as it is for this period. The external borders will continue to be protected by the Commonwealth's border guards. [end recording]

Guards Perform Duty Despite Problems

PM0106123192 Moscow SOVETSKAYA ROSSIYA in Russian 28 May 92 p 1

[Major A. Aleshin article: "Today Is Border Guards' Day. They Are Being Shot in the Back"]

[Text] Just a year ago the number of violators detained on the former Union's borders was 2,500. By May this year about 4,000 had been detained attempting to cross the border illegally. The volume of seized goods which were being illegally exported from the country rose fourfold. Arms and narcotics poured into the country...

Shots can be heard on the border. The border with Afghanistan smells of gunpowder. Just recently an armored personnel carrier was blown up by a mine at one of the Takhta-Bazar border troop detachment's subunits in Turkmenistan. Border guards are stopping attempts by armed gangs to break through onto commonwealth territory more and more often. There are armed clashes... and deaths...

It is no easier for the border troops at sea either. In 1991 border guard patrol ships detained 73 alien boats for breaking fishing regulations in the former Union's territorial waters and economic zone. During the first three months of this years, more than 200 cases of illegal fishing were recorded in the South Kurils zone alone.

There is another statistic to mention. This one is more unpalatable, if not to say shameful. For the first time in all the border troops' history people are shooting them in the back... In those places where the local inhabitants used to help them willingly, you can now expect anything. Extremists in the Transcaucasus last year used arms on 14 occasions against the guys in green service caps. They have seized more than 80 submachine guns, machine guns, pistols, and 37 motor vehicles. Since the beginning of this year, three border troops have already died here, and more than 150 items of weaponry have been seized. And there is still the Baltics, Ukraine, and Moldova to consider...

But the border troops continue to perform their duty. Not just for the sake of obeying orders. There is such a concept as that of the motherland.

Commonwealth

Reform Movement Appeals to CIS State Heads

LD2905193192 Moscow ITAR-TASS in English 1823 GMT 29 May 92

[By Sergey Podyapolskiy]

[Text] Moscow, May 29 TASS—The International Democratic Reforms Movement has called on state heads and parliaments of the CIS countries, the Baltics and Georgia to more actively contribute to the formation of a multiparty system.

An appeal adopted today at a meeting of the movement board calls "to speed up the formation of norms to create legal guarantees of free participation of parties in the political process".

The document stressed the need "to contribute to the equal, without interference in internal affairs, interaction between public-political associations, parties and movements in order to consolidate the single democratic space and mutual understanding between peoples".

The movement considered it necessary to adopt the appeal with due account of the crisis moments revealed in the process of formation of the multi-party system by participants in the roundtable meeting held by the movement. Experts said the process is spontaneous and contradictory.

In their opinion, the democratic movement in independent states is split, the new parties are scarce in membership and have a small social base, their constructive influence on the political process and formation of the state power structures is rather inconsiderable.

The new tendency of executive power consolidation to the prejudice of the legislative and judicial powers even more breaks the society-parties-power balance.

The roundtable meeting participants came to a conclusion the formation of a multi-party system in the CIS states is also hampered by the lack of legal regulation in relations between parties, the state and society, and underestimation of these problems on part of the power bodies.

The movement believes the current CIS normative acts mainly regulate the procedure of formation and registration of public organizations. They have partially become outdated, contain a number of unjustified limits and poorly estimate the peculiarities of political parties' activities.

Disagreements Between CIS Leaders Discussed

OW2905121892 Moscow INTERFAX in English 1118 GMT 29 May 92

[Interview with Ivan Korochenia, coordinator of the Working Group of the Council of CIS Heads of Government, by correspondent V. Zenkovich; place and date not given; from "Nation & Society;" transmitted via KYODO]

[Text] The coordinator of the Working Group of the Council of the CIS Heads of Governments Ivan Korochenia responds to the questions posed by INTERFAX correspondent V. Zenkovich in regards to the prospects of development of the Commonwealth of Independent States.

[Zenkovich] Mr. Korochenia, recently we have heard many speculations about the disagreements allegedly existing among the CIS leaders as regards the documents they are expected to sign. For example, Stanislav Shushkevich, knowledgeably, abstained from signing the Collective Security Treaty.

[Korochenia] I would have to admit that we do have occasional disagreements—which are not of principle nature, as a rule. There are cases, however, when the leader of one or another delegation may choose to refrain from putting his signature under a document when its contents disagree with the legislation of the given republics.

As regards Stanislav Shushkevich's abstaining from signing the Collective Security Treaty, I would view this as a special case. I personally believe the Byelarusian leader was obliged to sign the Treaty. For one thing, he did not abstain from signing the CIS Strategic Forces Treaty. This implies that Byelarus thereby joined a military alliance, which fact, understandably, runs counter to the Republic's Declaration of State Independence and its concomitant aspiration to become a nonnuclear power, as the Declaration proclaims. On the other hand, Stanislav Shushkevich was bound to sign the Strategic Forces Treaty, so long as there are lots of strategic missiles deployed on the territory of the republic. In my opinion, Byelarus was supposed to join the Collective Security Treaty, as a temporary member, for as long as it does have strategic nuclear capabilities at its territory. Subsequently, it could stay with the alliance throughout the transitional period until all the strategic weapons are finally withdrawn from its territory.

[Zenkovich] Can it be associated with the political setbacks resulting from the warfare between Azerbaijan and Armenia? Baku is trying to get Turkey, a member of the NATO alliance, to take part in the conflict on its side, whereas Armenia, a signatory of the CIS Collective Security Treaty, is trying to get Russia and the other CIS countries involved in the conflict.

[Korechenia] I would not agree with that. Byelarus should have signed the Treaty for the simple reason that its military potential by far surpasses that of any other European country. How can Byelarus, with its commitment to neutrality, handle all this enormous pile of weapons? As far as the conflict between Armenia and Azerbaijan is concerned, I have serious reasons to doubt that either Russia or any other CIS members would ever be engaged in combat activities. Moreover, I think it is ultimately out of the question. I am equally convinced that neither Turkey nor the NATO alliance would ever succumb to it. Unfortunately, the CIS Working Group is not in a position to prepare a legal act which would settle the continuing armed conflict between Armenia and Azerbaijan. Given Armenia, which has signed all the CIS fundamental documents and is actively taking part in the CIS activities, can be considered the Commonwealth's full member, the position of Azerbaijan in that regard is absolutely unclear: its parliament have not ratified the Belaya Vezha Agreements, its government making no monetary contributions to the CIS joint programs. Besides, Azerbaijan has not delegated a single plenipotentiary to the CIS working group to represent the republic. As as result, we have no objective information about the situation in that region, therefore are unable to undertake anything to rectify it.

[Zenkovich] Can the future meetings of the CIS heads of governments scheduled for June 26 in Minsk and of the heads of states on July 6 in Moscow clarify anything?

[Korechenia] I hope so, considering that in June Minsk will host an international CSCE conference which may provide solutions to some of the problems of Nagorno-Karabakh. There are many indications that the agendas of the meetings both of the heads of states and of the heads of governments will be very heavily booked. On each working day during the meetings, the participants would have to address at least 10-15 issues. We are also expecting many proposals in that regard from the republics. In addition, the leaders of the Commonwealth countries will have to address a number of documents which for various reason were not finalized during the Tashkent Summit. Among these documents are agreements on coordinating actions and protecting the interests of the states belonging to the so-called "ruble-zone" in the event of introduction of national currency by one of the republics; on restoration of rights of the persons who were subject to deportation; on clarifying the composition and strength of the CIS Strategic Command; on pensions; on cooperation in the area of medicine. Also brought to the agenda will be a package of ecological problems, and the issues relating to setting up a Commonwealth joint television channel.

[Zenkovich] How do you view the prospects of development of the Commonwealth?

[Korechenia] I do envisage certain changes, yet the Commonwealth is likely to change only in form. The processes occurring in it are extremely complex and unusual. Alongside the disintegration of the former Soviet Union republics, there is a growing tendency for their integration, which seems inevitable. In my opinion, it is impossible, as much as it is unnecessary, to sever overnight all the ties which had been taking shape for so many years. It is hard to envision the kind of union the CIS countries may constitute in the future. Remarkably, in one of his recent public appearances, Kazakhstan's president Nursultan Nazarbayev, for example, postulated the emergence of the elements of a federative type of relations on the basis of the present-day Commonwealth. There are other considerations in that regard. In particular, to devise the Commonwealth organization on basis of the Collective Security Treaty. However, we cannot resolve all of these issues right now. As of present, we urgently need to clearly define and provide legal grounds to the Commonwealth of Independent States as an entity, outlining its objectives, the scope of responsibilities of its Council of the Heads of States and of its Council of the Heads of Governments, as well as of the working groups of the Commonwealth and some other related issues. With this end in mind, we are presently working on the CIS Charter. We anticipate that the Charter will be based on the documents which have already been signed by the heads of the CIS states, such as the Belaya Vezha Agreement, the CIS Collective Security Treaty, etc. In my opinion, the Charter should also incorporate the experience of the international community. Therefore, some of the principles could be borrowed from the structures of the European Economic Community or the European Parliament. The working group of the CIS Ministry of Foreign Affairs has been assigned to compile a draft CIS Charter in the near future.

Media

ITAR-TASS Reviews Press for 5 Jun

LD0506060992 Moscow ITAR-TASS in English 0521 GMT 5 Jun 92

["Press Review"—ITAR-TASS headline]

[Text] Moscow, June 5 TASS—Today's newspapers focus on the confrontation between the Russian parliament and the government.

Russian President Boris "Yeltsin believes the reform of the supreme legislative body is one of the most important aspects of Russia's current policy, the success of which is vital for stabilisation of the situation in the republic," NEZAVISIMAYA GAZETA newspaper said.

"In this situation, the Central Bank's subordination to the government is indispensable. At the same time, the Russian parliament will not loose its control over finances," the youth daily KOMSOMOLSKAYA PRAVDA said.

The newspaper said the president "could interfere in the development of the country's banking system".

NEZAVISIMAYA GAZETA believes Russian Vice-Prime Minister Yegor Gaydar's supporters in the parliament, who sided with Central Bank President Gennadiy Matyukhin, "have decided to grasp at Matyukhin as the last straw of their monetary policy, fearing they may lose not only control but an access to the main instrument of the credit and monetary policy".

The Russian president has issued a decree authorising the government to allow, prohibit and limit foreign investments in Russia. "The world experience allows for state regulation of foreign investments in countries suffering from their abundance. There is no any abundance in Russia," KOMSOMOLSKAYA PRAVDA said.

The decree prohibits foreign investments "practically in all attractive industries," NEZAVISIMAYA GAZETA said.

The newspaper ROSSIYSKAYA GAZETA comments on parliamentary debates on privatisation in Russia.

Former Russian KGB Chief Viktor Ivanenko speaks on Russian Security Minister Viktor Barannikov's anti-corruption campaign in his ministry.

NEZAVISIMAYA GAZETA carries an interview with Deputy Russian Foreign Minister Georgiy Kunadze. He said the ministry plans to cut its personnel in other countries by 30 per cent and reduce the number of employees in the ministry to 3,200 people by July 1, 1992.

ROSSIYSKAYA GAZETA publishes an interview with Aleksandr Bazilyuk, co-chairman of the movement for Donbass' revival and the Civil Congress of Ukraine, where he speaks about a "collusion between the party nomenclature and national radicals". He said the drive for independence and totalitarianism satisfied both of them.

In an interview with KOMSOMOLSKAYA PRAVDA, Vladimir Grinev, deputy Ukrainian parliamentary speaker, warns about a dictatorship in the republic. He calls for a compromise between Russia and Ukraine in the Crimean and Black Sea Fleet disputes.

He believes close ties with Russia are vital for Ukraine. "We will enter Europe but we will enter it together with Russia," Grinev said.

KOMSOMOLSKAYA PRAVDA carries materials about the first launch of a commercial spacecraft built on the basis of SS-20 and SS-25 missiles scheduled for December 1992. The project called "Start" is expected to bring about 300 orders by the year 2000, each of which will cost 7 to 10 million U.S. dollars, the newspaper said.

Newspapers also comment on the results of the referendum in Denmark where the majority of the population voted against the country's participation in a unified Europe.

International Affairs

Armed Forces in Baltics Allowed To Use Weapons

OW0106125692 Moscow BALTFAX in English 1229 GMT 1 Jun 92

[Transmitted via KYODO]

[Text] The Diena newspaper of Riga reported a few days ago that Russian Defense Minister Pavel Grachev had signed a directive allowing members of the Russian armed forces stationed in the Baltic states to use their weapons "under extraordinary circumstances." The report has been confirmed by the Latvian embassy in Moscow.

Grachev said at a press conference in Moscow earlier on that by extraordinary circumstances he meant an "attack on a serviceman or a member of his family, or on his house, or on a building or other property of the Russian armed forces."

Statement Says Baltics on Verge of 'Explosion'

OW0306165592 Moscow INTERFAX in English 1613 GMT 3 Jun 92

[Transmitted via KYODO]

[Text] "The personnel of the North-West group of forces is on the verge of a social and military-political explosion due to human rights violations, the introduction of 100% tariffs on the export of property from Baltic republics, the nationalization of servicemen's apartments, and so on". This statement was made by the Chairman of the Russian parliamentary committee on defense and security matters Sergey Stepashin in an interview with "IF" [INTERFAX]. He said that the committee discussed the situation of the North-West forces Tuesday [2 June] and recommended that the Russian Security Council immediately examine a number of questions concerning their presence in the Baltics.

Stepashin said the status of the forces must be determined immediately as foreigners located on foreign soil.

He said that the Russian Foreign Ministry's position on this matter was criticized at the meeting. They demanded that the Russian Foreign Ministry take a harder line in regards to defending the interests of servicemen of the North-West Forces and their complete withdrawal from the Baltic states, Stepashin said.

Grachev, Nixon Discuss Defense of Russians

LD0506094192 Moscow ITAR-TASS in English 0914 GMT 5 Jun 92

[By ITAR-TASS correspondent Andrey Naryshkin]

[Text] Moscow June 5 TASS—Russian Defence Minister Pavel Grachev warned on Friday [5 June] troops might be dispatched to those regions where the rights of ethnic Russians are violated.

"When the honour and dignity of the Russian population is infringed upon in any region most resolute measures will be taken, up to dispatching troops to cut short illegal actions against our compatriots", he told reporters on Friday.

Grachev was speaking on the situation with Russian troops deployed in the Chechen Republic right before meeting visiting former U.S. President Richard Nixon.

The Russian garrison in Checheniya will be disbanded and withdrawn with all the armaments, Grachev said. "Our officers there did not discredit themselves by anything, troops do not interfere into the internal conflict", Grachev said, adding the attitude of the Chechen leadership to the troops is very negative and they do everything to force them to leave the Caucasian republic.

Military problems were in the focus of discussions between Grachev and Nixon.

"I would like to inform the ex-president of the United States on problems facing the Russian armed forces. The major ones are the withdrawal of our troops from the territory of Eastern Europe and several CIS states. We plan also to discuss ways of settling ethnic conflicts in Russia and other Commonwealth countries", Grachev told reporters before the meeting.

The future of Russian troops in Turkmenistan will be the focal point of Grachev's visit to the former Soviet republic which begins on Sunday. A Turkmenian delegation has already visited Moscow and suggested to create joint Russian-Turkmen troops, Grachev said, adding such a proposal is unprecedented. "I have my own proposals on the matter, but I shall not make them public for the time being", he stated.

Nixon Meets Gaydar

LD0406193592 Moscow ITAR-TASS World Service in Russian 1727 GMT 4 Jun 92

[By ITAR-TASS correspondent]

[Text] Moscow, 4 Jun—"Something that looks like the formation of a multiparty coalition is underway at present," Yegor Gaydar, first vice premier of the Russian Government, said at a meeting with former U.S. President Richard Nixon, which was held in Moscow today. Replying to a question by members of the U.S. delegation about the latest changes in the Russian Government's composition, Yegor Gaydar, in particular, noted that "at the very beginning of the reforms process there was a possibility of creating a very solid and homogeneous team, which even was called 'a Kamikaze team.' However, the situation has changed now. The government cannot be absolutely isolated from sociopolitical reality and should take into consideration certain political limitations. The government needs additional support from powerful and influential social strata which cannot stay aside from the decisionmaking process. Only in this way can effective control over the course of economic reforms be preserved."

"The course of the reforms should remain invariable," Yegor Gaydar stressed.

Grachev Promises Support for Moldovan Russians

LD0506092092 Moscow NEZAVISIMAYA GAZETA in Russian 5 Jun 92 p1

[NEZAVISIMAYA GAZETA report under the "News in Brief" rubric: "Russian Defense Minister's Statement"]

[Text] Following the air assault subunit's forthright actions in South Ossetia, which took the form of an assault on Tskhinval to defend servicemen and the property of two Russian regiments, Russian Defense Minister Army General Pavel Grachev has issued a statement regarding the Russian 14th Army stationed in the Dniester region. In the minister's view, Chisinau is trying to embroil the 14th Army in the Dniester conflict, while accusing Russia of aggression against Moldova. Grachev made it understood that if Moldova starts hostilities against the Dniester region and the 14th Army, troop units could change jurisdiction and side with Tiraspol. As for the Russian population in Moldova, the Russian defense minister promised to stand up for it.

Grachev Discusses Arms Sales With UAE Officials

LD0506130792 Moscow ITAR-TASS World Service in Russian 1110 GMT 5 Jun 92

[By Andrey Naryshin, ITAR-TASS correspondent]

[Text] Moscow, 5 Jun—Today Russian Defense Minister General Pavel Grachev held a working meeting with military experts from the United Arab Emirates [UAE]. A productive exchange of opinions took place on the issues of bilateral cooperation in the military sphere.

Pavel Grachev confirmed Russia's readiness to supply the UAE with infantry fighting vehicles that have been modified in accordance with local conditions. To all appearances, the first batch of 27 infantry fighting vehicles will be dispatched to the UAE at the end of June or the beginning of July. At the same time, a group of Russian military specialists will arrive there; they will acquaint their Arab colleagues with the peculiarities of using these vehicles.

The sides discussed the possibility of the UAE purchasing from Russia, military aviation equipment and jointly producing various armaments systems and other issues. Mutual understanding was reached on many of them, but the participants in the meeting recognized the need for deeper study of the existing proposals.

Yugoslav Leaders Seek Aid in Peace Settlement

LD0406175492 Moscow ITAR-TASS World Service in Russian 1630 GMT 4 Jun 92

[By ITAR-TASS correspondent Aleksandr Kondrashov]

[Text] Belgrade, 4 Jun—The parliament, presidium, and government of Yugoslavia have called upon the president, parliament, and government of Russia to show solidarity with the peoples of Serbia and Montenegro and to offer them aid in finding a political settlement to the Yugoslavian crisis.

During this difficult and dramatic period for the peoples of Serbia and Montenegro, when they are being subjected to condemnation and the most severe sanctions for supposed aggression against Bosnia and Hercegovina, we are appealing for support to the supreme ruling bodies of the fraternal Russian people, with whom we are linked by deep-rooted friendship and powerful spiritual links.

The document explains the reasons for the crisis in Bosnia and Hercegovina, and resolutely refutes all notions and assessments that the Federal Republic of Yugoslavia is guilty of aggression against this republic. It recalls the numerous peace initiatives of the FRY leadership, and points out that it has called for the conflict in Bosnia to be solved on the basis of a consensus among all three of its peoples, and by overcoming all problems within the framework of a peace conference on this republic.

While not denying the objective share of our responsibility for the crisis in Bosnia, the appeal points out, we assure you that the Federal Republic of Yugoslavia cannot, by any criteria, be deemed an aggressor, if only because for 15 days now there has not been a single soldier in Bosnia-Hercegovina who is a citizen of the Federal Republic of Yugoslavia, and because it has not seized a single square meter of its territory.

We are acquainting you with our positions and the specific action we have taken to overcome the crisis in order to express the sincere hope of broad sections of the Yugoslav public that Russia and its fraternal people will show full understanding and solidarity with the Serbian and Montenegrin peoples, and that at this tragic moment, they will be equal to the best historical traditions of our friendship and mutual assistance. Your participation and consistent efforts to find a political solution to the present crisis would be extremely useful and would be sincerely supported by the Serbian and Montenegrin peoples. We declare that you can count on our active and concrete cooperation in these efforts, the appeal to the Russian leadership from the supreme bodies of Yugoslavia says.

Arrest of Officers in Azerbaijan 'Unwarranted'

PM0406210592 Moscow KRASNAYA ZVEZDA in Russian 5 Jun 92 p 3

[Russian Defense Ministry Press Center report: "Released, Not Expelled"]

[Text] In view of the fact that some media organs are continuing to put out information previously denied by the CIS Joint Armed Forces Press Center about "subversive work by military intelligence officers" in Azerbaijan, the Russian Defense Ministery Press Center is compelled to state:

On 26 May there occurred the unlawful arrest by the Azerbaijani authorities of six Transcaucaus Military District military intelligence officers, who were released 15 hours later. The Republic of Azerbaijan defense minister and internal affairs minister admitted that the arrest was unwarranted and offered their apologies to the officers.

The information that the military intelligence officers were expelled from Azerbaijan is false. The Russian Army units stationed in the republic, including military intelligence subunits, are part of the Transcaucasus Military District. Not one serviceman has been deported during the forces' stay here.

Giving the public misinformation on this subject is no way to contribute to a constructive solution of the problems in the region. It destabilizes the situation and intensifies the negative attitude toward Russian servicemen among certain circles in the republic.

Moldova Postpones Arrival of Russian Ambassador

OW0106131192 Moscow INTERFAX in English 1221 GMT 1 Jun 92

[Report by Vyacheslav Terekhov, Boris Grishchenko, and Igor Porshnev from "Diplomatic Panorama"; transmitted via KYODO]

[Text] According to well-informed sources in the Russian Foreign Ministry, the presentation of credentials by Russian Ambassador to Chisinau Vladimir Plechko has been postponed. The date earlier agreed upon was reversed on Moldova's initiative. As a result, Vladimir Plechko, who was to leave for Chisinau last week, is still in Moscow.

An expert of the Russian Foreign Ministry told DP [Diplomnatic Panorama] that Chisinau's decision was not the best way of tackling the serious problems in Russian-Moldovan relations.

He believes that "normal work" of Russia's Embassy in Moldova would meet the interests of both Moscow and Chisinau. "Unfortunately, the Russian embassy has not ben opened yet through the fault of Moldova which refuses to place a building adequate to that of the Moldovan embassy in Moscow at the disposal of the Russian diplomatic mission.

There are technical standards, said the Russian diplomat, to which any embassy should correspond. "Nothing of what Moldova has been offering us lately, meets such standards," he said.

More on Talks Between Kozyrev and Moldova's Tiu

Further on Settlement Moves

MK0406134592 Moscow KURANTY in Russian 4 Jun 92 p 2

[Vladimir Strakhov report: "Dniester—Still the Border"]

[Text] The Russian and Moldovan foreign ministers have met in Moscow. The main result was an agreement to set up three working groups to help settle the conflict in the Dniester region. One of these groups will supervise compliance with the cease-fire, another will tackle questions of the 14th Army's withdrawal from areas of the Left Bank, while the third will devote its attention to the political and legal aspects of resolving the conflict. In addition, A. Kozyrev and N. Tiu discussed problems of bilateral relations in various spheres.

Observers in Moldova note that Russia is trying to remove Romania and Ukraine from the negotiating process. It will then supposedly be easier for Moscow to "bring round" Chisinau on contentious issues. However, as the meeting showed, A. Kozyrev confirmed the Russian side's commitment to taking part in a quadripartite process. Military observers from these countries must be present in the conflict zone.

While the diplomats were trying to reach agreement, both the Moldovan and Dniester sides issued statements that will hardly help improve relations. Moldovan Defense Minister I. Costas once again accused the 14th Army of aggressive intentions and unexpectedly reminded Moldovans of their forebears' military prowess. In turn, the Dniester Moldovan Republic [DMR] Supreme Soviet confirmed that the DMR is an independent sovereign state. Deputies asked the Russian and Ukrainian parliaments to recognize Left Bank independence.

Talks Conclude

PM0406142192 Moscow KRASNAYA ZVEZDA in Russian 4 Jun 92 pp 1, 3

[Colonel V. Gavrilenko report: "The 14th Army Will Be Withdrawn from the Dniester Region"]

[Text] Commitment to political methods in settling the conflict in the Dniester Region through cooperation between the Moldovan, Russian, Romanian, and Ukrainian foreign ministers was corroborated 2 June in Moscow by Andrey Kozyrev and Nikolae Tiu, the heads of the Russian and Moldovan foreign policy departments. This was stated in a communique on the results of these talks.

The communique says that accord was reached on the creation of three working groups: On the observance of the decision to implement a cease-fire and introduce military observers from the four countries into the buffer zone [zona razyedineniya], on military problems and the resolution of questions connected with the withdrawal of the 14th Army, and on the political and legal aspects involved in the settlement of the conflict.

As we can see, the Russian president's statement to the effect that he is prepared to withdraw the 14th Army from the Dniester Region is becoming concrete. Furthermore, as Boris Yeltsin stressed, weapons and military hardware will also be withdrawn together with the servicemen, so that this does not become a bone of contention between the sides. So we will take everything with us and return home, but where is the home of the 14th Guards Army?

How has this news been received on the banks of the Dniester? Here is an example of what the editorial office teleprinter has "bashed out" in the past few days:

"The officers and men of the 14th Army have reacted with bewilderment, and at times, even extremely negatively, to the announcement by Russian Federation President Boris Yeltsin on the withdrawal of its units from the Dniester Region," one of the Army's high-ranking officers stated in a telephone conversation with an ITAR-TASS correspondent. The people are in the following frame of mind: "We will not leave our land, we will not abandon our compatriots to the whims of fate. We have our families here, and the only thing we can do is protect our homes."

However, Chisinau is continuing to accuse the 14th Army. "The 14th Russian Army is unforgivably interfering in the internal affairs of our young state and has sided with the separatists," Division General Ion Costas, Moldovan minister of defense, maintains in an appeal to officers, warrant officers, and men in the national army and to the republic's other citizens, which was disseminated by the Moldovan mass media. He believes that "the danger hanging over Moldova's independence and integrity has increased many times over," and recalls the courageous example of his "forefathers—the soldiers of Stephen the Great [prince of Moldova]." The 14th Army is helping General Costas to evoke patriotic feelings in his subordinates to divert attention, both in his republic and outside Moldova's borders, from the serious military preparations being made. In particular, from the tanks that Romania has supplied to Moldova. No sooner had Russian Defense Minister Pavel Grachev stated this 30 May on the Ostankino Television channel, a refutation was issued by the Moldovan and Romanian Foreign Ministries 31 May. However, these several dozen tanks are not an awl, and the former training center for the landing regiment near Chisinau is not the notorious bag in the well-known proverb [reference to the Russian proverb "You cannot hide an awl in a bag"]. Anyone who wants to, and most likely anyone who is able to, can see these tanks with their own eyes. In any case, the people who informed the editorial office about them are people with a highly developed sense of honor and equally high professionalism. Indeed, the Russian minister of defense evidently did not speak about this to the television cameras just for effect. However, the Moldovan Foreign Ministry is continuing to insist that, according to data from the Ministry of Defense, at the moment the republic does not have tanks at its disposal.

Incidentally

Humanitarian aid in the form of two tonnes of medicines were supplied to Tiraspol for the personnel of the 14th Army and the servicemen's families. This aid was organized by Major General of Aviation Nikolay Stolyarov, chairman of the Committee for Work with the CIS Joint Armed Forces Personnel. It was delivered by a group of officers in the committee who are working in the army units and subunits today.

Turkmenistan Disagrees on Status of Forces

OW0306200692 Moscow INTERFAX in English 1933 GMT 3 Jun 92

[Transmitted via KYODO]

[Text] The press service of the Turkmen President told "IF" [INTERFAX] that the main portion of a packet of agreements on friendship and cooperation between Turkmenistan and Russia, which was drawn up at the May 21 meeting, has been initialed. In addition the press service said there is disagreement "on several military questions, in particular, on the status of forces stationed in Turkmenistan".

Turkmenistan's draft of the agreement on the status of forces proposed introducing a provision "on joint forces of Russia and Turkmenistan stationed in Turkmenistan".

The press service said the entire packet of documents may be signed only after all questions have been agreed upon.

Turkmenistan will uphold its proposals, however, the press center said a compromise is possible.

The talks will begin Monday [8 June] in Ashkhabad following the arrival fo the Russian delegation headed by Russian Defense Minister Pavel Grachev.

More on 'Disagreements'

MK0506100592 Moscow NEZAVISIMAYA GAZETA in Russian 5 Jun 92 p 1

[Igor Zhukov report under the "Turkmenia" rubric: "Turkmenistan Unwilling To Surrender Army to Russia.

Latest Round of Turkmen-Russian Military Talks Begins in Ashkhabad 8 June"]

[Text] The Turkmen president's press service reports that the Russian delegation at the Turkmen-Russian military talks is to be led by Russian Defense Minister Pavel Grachev.

This meeting is intended to be the culmination of the Moscow bilateral debates held 22 May through early-June, during which a package of documents on friendship and cooperation between the two states was initialed.

However, disagreements have emerged on certain points of the military agreement. Your NEZAVISIMAYA GAZETA correspondent learned that the sides have been unable to reach unanimity on fundamentally important provisions of the Treaty on Russian and Turkmen Security as regards defining the status of troops stationed in the area from Kushka to the Caspian.

On arriving in Ashkhabad, General Fuzhenko, former commander of the Turkmenistan Military District, asked on behalf of the Russian command that Russian jurisdiction be established over units and subunits. The Turkmen Government rejected that suggestion and put forward the idea of joint Turkmen-Russian armed forces, as NEZAVISIMAYA GAZETA has already reported.

This has become a stumbling block. Turkmen Government officials are not hiding their keenness to reach a compromise, yet they stress that they are only willing to make concessions on certain articles of the bilateral military treaty that do not relate to the principle of joint armed forces. In addition, they are making the conclusion of other bilateral agreements directly dependent on this issue.

President Niyazov's press service reports that the "whole series of documents regulating Turkmen and Russian relations will only be signed by the two countries' presidents once there is unanimity on military matters." President Niyazov has adopted a special appeal to the men of the Central Asian Border District.

The reason for this was the 60th anniversary of one of the first border detachments in the republic's Tagtabazarskiy Rayon.

The appeal emphasizes that the "people of Turkmenistan see the border guards as their defenders, the custodians of peaceful labor and a happy life. Under the new Constitution, the state will continue to show untiring concern for and attention to its border guards."

More on Khasbulatov, Delegation Visit to Turkey

Discusses Black Sea Union

LD0406174192 Moscow ITAR-TASS World Service in Russian 0930 GMT 4 Jun 92

[By ITAR-TAS correspondent Sergey Feoktistov]

[Text] Ankara, 4 Jun—Ruslan Khasbulatov, chairman of the Russian Federation Supreme Soviet, who is making an official visit to Turkey at the head of a parliamentary delegation, has left for Antalya, a large town on the Black Sea coast.

Speaking at a news conference at Ankara Airport, the chairman of the Russian Parliament expressed his satisfaction at the results of the meetings held in the Turkish capital. He said that an important factor facilitating the holding of successful talks at the parliamentary level is the treaty on the bases for relations between Russia and Turkey, which was signed during the visit to Moscow by Turkish Prime Minister Suleyman Demirel.

R. Khasbulatov noted a unity of views with Husamettin Cindoruk, speaker of the Turkish Grand National Assembly, on the need for the parliaments of both countries to provide a legislative base in the interests of developing bilateral cooperation. He called the idea put to him by his Turkish counterpart of creating a parliamentary union of the Black Sea states useful and promising.

The chairman of the Turkish Assembly pointed out in turn that Russia and Turkey have unlimited scope for developing mutually advantageous ties. He stressed that the two countries' views on economic and political problems coincide, and he spoke in favor of close cooperation at a new level in order to stop the bloodshed and to create an atmosphere of stability in the region and throughout the world.

NATO Activity in Barents Sea Noted

LD0406131192 Moscow ITAR-TASS in English 1248 GMT 4 Jun 92

[By ITAR-TASS correspondent Vladimir Novikov]

[Text] Murmansk June 4 TASS—The Barents Sea and the Kola Peninsula remain the objects of great attention of NATO navy, the press centre of the Northern Fleet said on Thursday [4 June].

British "Nimrod"-type reconnaisance planes have several times flown over the Barents Sea, near the Russian territorial waters last week. The anti-submarine forces of the Northern Fleet spotted two nuclear submarines which were, most evidently, the American ones, the press centre said in a statement.

The Norwegian "Marjata" warship and the "Orion"-type planes are engaged in constant surveillance. The French "Tourville" missile-destroyer and the "Somme" supply transport have been sailing in the Barents Sea since May 27 and helicopters are making reconnaisance flights from them.

The press centre expressed concern over the activity of the NATO forces in the area, adding the region abounds in naval test ranges and important communication lines.

Russian Officials Discuss Foreign Policy

LD0306225892

[Editorial Report] Moscow Russian Television Network in Russian at 1445 GMT on 3 June broadcasts a 43-minute discussion program entitled: "Does Russia Have a Foreign Policy."

The program is moderated by V.T. Tretyakov, editor in chief of the NEZAVISIMAYA GAZETA newspaper, and those participating in the discussion are G. Burbulis, state secretary under the Russian president; A.A. Krasikov, head of the NEZAVISIMAYA GAZETA foreign news department; Russian People's Deputy S.N. Baburin; S. Ye. Blagovolin, president of the Institute for National Security; and Russian Deputy Foreign Minister G.F. Kunadze.

The program begins by showing Tretyakov and the five other participants seated. From left to right are Krasikov, Kunadze, Burbulis, Tretyakov, Baburin, and Blagovolin.

Opening the discussion program, Tretyakov explains that the discussion is being held jointly by the editorial board of NEZAVISIMAYA GAZETA and Russian Television. The participants in the discussion are, on the one hand, people involved directly in Russia's foreign policy, and, on the other, people who are critical of it. Tretyakov adds that he will be chairing the discussion and is the editor in chief of NEZAVISIMAYA GAZETA. He then gives the floor to Gennadiy Burbulis to speak about Russia's current foreign policy. Burbulis says:

"I might start by stating almost officially that the Russian Federation does, of course, already have a foreign policy and a system of practical goals and specific actions to give effect to Russia's state interests in the sphere of international relations. It is being implemented in conditions of developing Russian independent statehood, in conditions of a post-communist legacy from the USSR, and in conditions of an extremely dynamic and contradictory international community. If one is to speak of the main value which we presently are striving for in our actions, despite certain differences, it is to become a mutually beneficial partner in the international community system, both within the framework of bilateral relations with specific close and distant foreign states, and within the framework of those European and global organizations and structures whose tasks coincide with the tasks of Russia's reforms."

Tretyakov asks Burbulis whether there are elements of self-interest in Russia's foreign policy. Burbulis replies, saying: "But it never happens this way. If you are talking about foreign relations, they always presuppose a clear understanding between us and those with whom relations are being established. We are trying to create a Russian state, in the full sense of the word, within the framework of those human values that correspond to our reforms. This is the most fundamental interest of Russia's foreign policy today. We are trying to be recognized as a new state which, at the same time, is basing itself on Russia's centuries-long history, with the continuity with regard to those international achievements which we have inherited from the Soviet Union, but with substantially changed inner content of its foreign policy. It has lost its ideological dogma and constraint and is based today, to a large extent, on Russia's practical interests primarily connected to the economic and political changes taking place in Russia."

Tretyakov then gives the floor to Sergey Baburin. Baburin says that he fails to see any real concept in the foreign policy of the present leadership. All that he sees is a betrayal of Russia's national and state interests, and a departure from those traditions in foreign relations which Russia preserved for several centuries. For instance, Russian interests are now unprotected in relations with Iraq. It owes Russia $7 billion. However, the leadership has not yet bothered to call it to account. He also criticizes Russia's position in the UN Security Council with regard to the incident with Libya, and calls Russian participation in the sanctions against Serbia "monstrous."

Baburin goes on to say that he fails to understand the sporadic and momentous nature of Russian foreign policy and the lack of clarity about who exactly determines it today. "Here is just one example. I have here the answers to my requests—one regarding our foreign policy initiatives on the separate storage of the strategic carriers and the nuclear arms, their nuclear charges, and another regarding the procedure for implementation of the Treaty on Conventional Armed Forces in Europe. Here I have the six-page answer from the Ministry of Foreign Affairs [MID] signed by First Deputy Foreign Minister Fedor Shelov-Kovedyayev, who says that everything is fine, and the two-page reply from the Ministry of Defense. To the first question, on the separate storage of the strategic carriers, the Defense Ministry says that the preliminary initiative was not agreed with the CIS Joint Armed Forces Chief Command and, in essense, makes those armed forces which we have there now, unnecessary and meaningless. As for the second question, judging from the text, I believe that the diplomatic officials involved here should be made responsible not only for flaunting the laws, but for disrespect of the Constitution. I would like to say here that our political initiatives—which appear from God knows where—contravene the constitutional rights given to the supreme legislative organ to determine the main directions of foreign policy," Baburin stresses.

Tretyakov, addressing Baburin, asks: "Do you mean that the Russian Supreme Soviet has defined its outline for foreign policy, and that some of the institutes working on foreign policy fail to stick to it?"

Baburin complains that, unfortunately, the outline of foreign policy proposed by the Foreign Ministry has been recalled from the Supreme Soviet, and the Supreme Soviet has not yet received any specific proposals on this issue from the executive power.

Tretyakov then addresses Kunadze: "Georgiy Fedorovich Kunadze, we have just heard that the specific issue of sanctions against Libya and Serbia has been raised as Russia has joined them. I do not want to recount it all since you have heard the rest. I just wanted to ask you whether you would like to say something directly about the sanctions?"

In reply Kunadze says: "There is now much talk and argument about how to define Russia's national interests, and to what extent the government and the Foreign Ministry protect these interests. However, we have not yet heard a single coherently formulated definition of the national interests. I believe that is not coincidental, because for a long time this country believed that our national interests derived from our ideological cliches which we managed to spread around the whole world. In the framework of these dogmas, it was distinctly clear with which country relations had to be maintained with, regardless of how that country behaved and what it might have undertaken within the international arena, and which country should not be supported, whatever its policies. We now find ourselves without this ideological compass, failing to notice that Russia is guided by the ideological aim of being a civilized state, the ideological goal which obliges it to observe the norms and principles based on international law essential for any civilized country, and which obliges it to act together with everyone. This aim of being a civilized state obliges it not to accept aggression, violence, etc. These are the provisions within the framework of which we are acting.

"Therefore, when I am told that involvement in the sanctions against Iraq, Libya, and now Serbia, contradicts Russia's national interests, I cannot help asking you this: What specifically are you talking about? Would it be in Russia's interests to help an aggressor, to encourage violence whatever its form, including Iraq's undisguised aggression, or to support terrorism, etc. Generally, is it in the interests of Russia to oppose itself to the whole civilized world? Our critics are yet to answer this question. Perhaps they are afraid of naming things by their name. That is quite an understandable human weakness which I am ready to forgive."

Tretyakov interjects, saying: "Sorry, but at issue are debts worth many billions, and our economic losses because of these sanctions. Can you say something about this?"

Kunadze replies: "Yes, of course. In this respect we have fallen into the same trap in which many countries involved in providing economic and military aid have found themselves. We are not alone in failing to get our money back from the debtors. What can be said about the Libyan debts, for instance? These debts have quite obviously been brought about by the continuing supplies of offensive weapons to Libya—something which, in my view, is not by any means in our national interests. Nor does it meet any common sense criteria. If periodically we have to sell more and more of the latest types of weapons to Libya to get it to repay its debts, this would mean subjecting ourselves to undisguised blackmail. I doubt that this could be in our national interests.

"As for Iraq, if you find a way of getting Iraq to repay its debts, let us know. We will be pleased to make use of it."

A discussion on the repayment of debts then ensues as follows:

[Baburin] "But what about setting up a bilateral commission?"

[Kunadze] "And then what?"

[Baburin] "The commission must discuss ways for Iraq to repay its debts."

[Kunadze] "You know, sooner said than done. I agree, for instance, that the idea of the commission is a good idea. This idea is being worked through. Work has been done on it since the times of the Union's foreign policy, but the way out has not been found yet, simply because Iraq, under the current regime, is not able and does not intend, to repay its debts to us or any others."

[Burbulis] "May I say something?"

[Tretyakov] "Yes, of course."

[Burbulis] "I would like to stress two points in relation to this rather tough position of Sergey Nikolayevich. The first: We would be very grateful to the Supreme Soviet if it proves to be able to follow through its constitutional task and develop its outline for Russia's foreign policy.

"Second, concerning every step currently undertaken by the Russian Foreign Ministry in relation to Serbia, everything has been done as clearly and as correctly as possible. Perhaps this is precisely the time to stress in various ways, Russia's particular concern to protect stability in that region, while at the same time not allowing ourselves to become trapped in our feelings and emotions, including the ones related to our historical bond.

"Finally, I do not quite agree with our Foreign Ministry: I believe that there is a very major capacity for Russia's economic interests to be linked with Russia's actual political diplomacy. In fact, we have a few examples showing how two departments—the Foreign Economic department and the Foreign Ministry—can find at the right time, and jointly implement a necessary well-coordinated range of harmonious actions. I believe that the remark was quite justified, and in this instance, there is an opportunity to work on this idea in the future."

[Tretyakov] "Before giving the floor to Professor Blagovolin, I would like to give this opportunity to Georgiy Kunadze to say something, since thus far he has just been answering the question on Libya."

[Kunadze] "I would like to say just one thing: At present, while enormous changes are occurring in the country, the sphere of foreign policy has not yet been changed. We see our task first as preserving everything of value which was gained by the Union in the sense of international gains and positions in the world, while discarding and amending everything that deceptively appears to us as our national interests, but is in reality pervaded by the very ideology which has forced us to make ideologically substantiated pledges in relation to odious regimes; to put it mildly, all over the world."

This conversation is followed by Prof. Blagovolin expatiating his ideas on Russia's foreign policy. He says it is understandable that Russia's foreign policy has not yet been worked out. The country is only six months old. He proceeds to talk about the history of Russian foreign policy—so the legacy in this sphere is complex. One thing is clear, he says: In a military sense, Russia must not repeat past mistakes. It does not have to be militarized to the extent the Union was. That would lead to chaos. However, profound military reform is required. Stable armed forces need to be created. Another thing is that Russia is widely considered by other countries in the world as a potential partner. This should help it, he stresses.

Krasikov recalls that recently common human values have been given priority in foreign policy. However, he adds, it turns out that mankind is not yet ready for this. Our partners are still giving priority to their own state interests. National and religious factors have been coming into play in international relations. He says that one sometimes gets the impression that Russia is moving ahead in an unplanned way and mistakes are being made.

Tretyakov says that another important aspect of Russia's foreign policy should be to protect the interests of Russians and Russian-speaking people abroad.

In Blagovolin's view, protecting the interests of Russians living abroad is an extremely important priority task for both foreign and domestic policy. It is a task that should involve the whole Russian state. A sensible and well-considered approach needs to be combined with firmness, because one often encounters a straightforward ignorance of peoples' legitimate rights

Baburin stresses the need to uphold Russia's global national interests. Inter alia Russia has been neglecting its relations with India. Russia only remembered the existence of India after the outcry from across the Atlantic when Russia was told to stop trading in space technology. A visit to the country by Mandela has been planned since 1990, but Russia's Foreign Ministry has done everything possible to see that de Klerk visited the country and not Mandela, he adds. Baburin then questions Russia's double standards in foreign policy, for instance, the lack of condemnation of Israel's continuing occupation of Arab territories.

Kunadze then answers some of Baburin's criticisms of Russian foreign policy. He says: "I would like to say that all of us still have the naive habit acquired from school and our general education of considering that something only needs to be put down on paper, and a concept set forth for everything to immediately be fine. The thought is: Let us write a 5-year plan for foreign policy activity and then everything will go the way it should, since then we will always be able to ask whether such and such an item was fulfilled or not, who was responsible, and why was it not fulfilled, and so on. In actual fact, no such thing exists in nature anywhere, either in our country, in the United States, on Mars, or on the Moon. A concept is not only what is thought up beforehand, but is what is made in practice, and in this sense, of course, Russia has to date, had very little practice.

"Every time we begin with any issue we attempt to use, the examples and models of conduct drawn up by the old Union diplomacy. Sometimes it works and sometimes not. For instance, if we are speaking of the all-European process, a very great achievement by Union diplomacy was the holding of the Conference on Security and Cooperation in Europe at Helsinki in 1975. We are now planning to take part in Helsinki-2, and that will be genuine continuity. But alas, in most instances we are unable to employ the methods of Union diplomacy and cannot continue the approach that was practised. We need a set of methods that we have only just begun to formulate."

Baburin asks: "Excuse me, but after all, Russia existed prior to 1917."

Kunadze replies: "Yes, naturally, but if we speak of what Russia was prior to 1917, the world was, of course, different then. It was a world in which completely clear cut coalitions of states existed. Later they would disintegrate in exactly the same way that they came into being. It was a world in which there were clear cut geopolitical interests.

"An example of Russia's geopolitical interests, one might say, given our vast territory, which extends thousands of kilometers from west to east, is that it is vitally important for us to have peaceful conditions for development and peaceful fixed borders, both in the west and in the east. We possess such borders in the west, and we must have such borders in the east, although we do not yet possess them. That, if you like, is a specific manifestation of continuity, not only with Union foreign policy but also with Russian foreign policy.

"As for the issue of Iraq, the sanctions against Iraq and so on, something not quite clear to me is whether we need to justify one aggressor by concessions to another aggressor. Israel's actions have been condemned by the world community. UN resolutions exist, and a whole set of sanctions have been used at various times against Israel, but do we now need to answer—or rather to explain—that Israel continues to occupy territories and that the world community should not act against the seizure and assimilation of a country by the forces of another? Is this what you are calling for? I am not very much in agreement on this matter. I cannot believe that certain people are really calling on us to do this."

Tretyakov then asks Kunadze to say a word or two about Mandela and De Klerk.

Kunadze says: "Again, in this respect I see nothing wrong and I see no reason to use the word design. I would like to remind you that we have established relations with the Republic of South Africa, and that now the president of that state has come to our country. What is wrong with that, and what is the problem? How much of a grave mistake is it—indeed is it a mistake at all?—if one remembers that President de Klerk and Nelson Mandela are at present, on excellent terms with each other?

Tretyakov gives the floor to Burbulis to conclude the discussion. Burbulis says: "It would be good to have capable people who combine considered opinions, determination, and toughness. However, currently we can observe two groups of people: some are appealing willingly and demonstratively to Russian history, while trying to separate Soviet from Russian history, or to reinstate the past; hitting, punishing, threatening—these are the methods of the past, and no one is afraid of them. Hardly anyone will want to deal with such a state. Our task indeed is to find an opportunity to prove that our diplomacy has a policy and strategy of its own, and to implement it not in contrived conditions of theories, but in real conditions.

"My final point concerns protecting the interests of those Russians, who by providence, find themselves abroad. It is the credo of the president and of the government, as their foremost task, to protect the population who are now forced to regard themselves as foreigners. We must do this, not by fits and starts, but within the system of relations we enjoy with the states which have these problems. We are now trying to tackle any specific issue concerning any specific group of people in any specific country, not on an occasional, pragmatic, and local basis, but within a whole system of relations with the country in which these conflicts or these dangers may arise. That includes economic, directly practical, proper military, and diplomatic issues, among them involvement of the international community, which today plays a major role in influencing various heads of states within the framework of the CIS.

"In conclusion, I believe that it would be good to periodically make such public assessments of Russian foreign policy on a systematic basis, while revising our immediate goals. Our immediate goal today is to prove to the world community and ourselves that we are acquiring fundamentally new values, that we are able to attain them, and to stop intimidating the world community with the great Russian superpower behind which, there can still be found our undisguised and still existing imperialist ways."

With this Tretyakov concludes the program.

Kozyrev on Ministry Changes, Commonwealth Ties

PM2705154492 Moscow MOSCOW NEWS FAX DIGEST in English 26 May 92 pp 1-3

[Interview with Russian Foreign Minister Andrey Kozyrev [A.K.] by Vladimir Orlov; place and date not given: ""We Can Return Former Russian Lands. Only Count Me Out.""]

[Text] MN [MOSCOW NEWS]: As rumours go there is a man who will take over from you. And it won't be long before you leave the ministry. If it's so is it Yeltsin's aide Yuliy Vorontsov, or someone else?

A.K. [Andrey Kozyrev]: I don't rule out that these rumours are circulated by the opposition in the foreign ministry.

One of the favourite methods of old party apparatchiks is to create parallel structures, for example, state councils, etc. Some people within the ministry contrived to report their point of view to Yuliy Vorontsov rather than to me, in a bid to create political opposition. But they put their foot in it: Vorontsov and I are sufficiently cultured to refrain from confrontation.

MN: You speak of "opponents" and "opposition". How does it feel working in this atmosphere?

A.K.: My career started here. I've climbed to the rank of head of the department of international organizations. I could expect to be posted to prestigious positions in New York, Paris or Vienna. A well-appointed office. And then my field, the UN, was where Soviet diplomacy perhaps scored its greatest successes. In 1990 I left Smolenskaya Square for Russia's foreign ministry building in Prospekt Mira, where only my office was equipped with a government phone. My future was rather vague. My reason for quitting was that my political sensibilities were totally different from those of my superiors.

MN: What about Shevardnadze?

A.K.: He made no reshuffles at the top in the ministry. All the elite remained. Old as they were. For some inexplicable reason Soviet foreign policy under perestroika is thought to be a success story. I don't see it as such. The "new thinking" was largely an indeterminate concept, in fact it was simply a new front.

Consider; relations with Cuba, Iraq, Libya and North Korea only underwent cosmetic changes. The old machine was working full steam and opposed all the feeble steps made by Shevardnadze. In the Russian foreign ministry I could calmly shed ideas of the "socialist camp", and I bannned all communist party activities in the ministry.

MN: Did you have many supporters?

A.K." A few. Maybe because Shevardnadze took a vague position on removing party calls from the ministry, and most diplomats were against this idea. I recall that when the USSR foreign ministry circulated telegrams to Soviet embassies justifying the crackdown in Lithuania, I summoned foreign ambassadors and told them I was expressly against this policy. My ministry only had thirty diplomats at that time, so this was a policy supported by myself and Yeltsin.

My counterparts in the USSR foreign ministry shunned me till the very end of August 1991. Partly due to their fear of their bosses and partly due to their rejection of my ideas.

Imagine what these people feel like, now I'm the minister. It was a Shevardnadze-like conflict and a half.

I replaced my deputies with younger officials, making their average age 40 years. Not younger because you need to have experience and be familiar with precedents: it's Russia that is undergoing a radical change while France, for example, remains the same, and unlike us its policy is almost the same as ten years ago. so there should be persons who remember this.

MN: Who's scoring in this confrontation?

A.K.: For May I'd say it's a draw.

MN: You would agree that your opponents have at least one fair pretext: there's still no concept of relations with the other CIS members....

A.K.: A year ago both Yeltsin and myself said it would be much better if the Union were turned into a Commonwealth, rather than living together when people grow to hate each other.

After August (1991) I supported the preservation of a single state: at that time there was an ideal opportunity to create a working confederation with considerable federative elements. I called my former colleagues in the Union foreign ministry, saying: if you don't like Kozyrev I won't cling to my seat, but let's find a way to preserve the Union.

MN: It may be painful, but we want to peacefully establish friendly relations with our neighbours, involving them in integration using persuasion alone.

There is also a concept based on violence. How is it to be implemented? As in Yugoslavia? We can't accept that. The finale of the Yugoslav drama shows that nothing can be achieved by the army of the former federal state: Yugoslavia has come to pieces all the same, now it's a recognized fact. The only difference between my concept and the concept of adventurers consists in that we shed no blood, while they did.

MN: But it's possible here—the border issue still exists.

A.K. Ours are poorly defined borders. In fact no one tried to define them. Yes, decisions were made by the politburo, by Khrushchev.... but what follows from this? Do we start a tussle to snatch back those pieces of land? From whom? Ukraine? Kazakhstan? This would be nearly the same as distributing arms to peoples repressed under Stalin and calling on them to destroy those who live on their territory today.

If we go for each other's throats today, heads will be bitten off. I prefer unravelling the knots. All the more since nowhere in the world are there ethnically or historically substantiated borders. This can only be disregarded by ignorant or primitive people. They in Germany are intelligent enough to recognize Konigsberg as part of Russia.

We can return former Russian lands. Only count me out.

MN: You've already refuted seeral widely held allegations. Here's yet another: you are a Westerner of the first water.

A.K.: I'm going to refute this one as well. You can drive in a tank in the wrong lane defying traffic rules. But our choice is different: to progress according to generally accepted rules. They were invented by the West, and I'm a Westerner in this respect.

The West is rich, we need to be friends with it. But we will also maintain contacts with the rest of the world, with no preferences. Thus the allegations about my pro-American orientation to the exclusion of everthing else are rubbish.

MN: There is no single superpower at all. What is going on is a redistribution of forces. Redistribution of influence will continue in the immediate future in all world centres, which will show in the form of trade wars.

When Russia finally becomes a real ally of Western democracies it too will take part in trade wars. If we set ourselves ambitious goals and stifle the inclination to persuade ourselves we are a backward society, Russia will be among the leading countries 10-15 years from now.

Ukraine's Lanovoy on Talks With Gaydar

PM0206083192 Moscow IZVESTIYA in Russian 30 May 92 Morning Edition p 2

[Article by Ivan Zhegel: "Gaydar and Lanovoy Read Each Other. Will They Respect Each Other?"]

[Text] A news conference was held at the Ukrainian Embassy in Moscow 28 May by V. Lanovoy, Ukrainian vice premier and minister of the economy, at which the relationship between Russia and Ukraine in the economic sphere was discussed. Summing up everything that was said, we can conclude that the two sides have good intentions and that mutual understanding exists, but that there have so far been virtually no real agreements on specific questions.

In particular, V. Lanovoy talked about the talks with Ye. Gaydar during his stay in Moscow. The meeting mainly discussed currency and financial relations, the principles underlying mutual accounting, and prices. As the Ukrainian vice premier put it, they had managed to find a common methodology for resolving these issues, and now working groups should be set up to prepare specific documents. However, V. Lanovoy could not name even an approximate date when they would be signed.

Nor are things clear on the question of mutual indebtedness with regard to shipments of goods. V. Lanovoy stated that if end-1991 prices are taken as a baseline, then Russia is in debt to Ukraine. On the other hand, using today's actual prices, Ukraine is actually in debt to Russia. The vice premier said that Ukrainian enterprises are maintaining their payment discipline better than Russian enterprises. Need it be said that, given this vague and uncoordinated approach to one of the most fundamental questions, both sides could debate the issue forever.

V. Lanovoy was more definite about means of payment for reciprocal shipments. In the very near future, mutual settlements will be conducted in rubles only. However, the vice premier particularly emphasized that the task of forming Ukraine's statehood requires the introduction of its own currency, and preparations for this are fully under way. Nonetheless, he refused to even give an approximate timetable for this here.

Many questions at the press conference concerned V. Lanovoy himself—one of the main figures in Ukrainian economic reform. So, he is 39 and a graduate of the Agricultural Institute in Kiev. He spent 11 years working in the electronics industry, and another five years at the Economics Institute. He has written several books, and, as V. Lanovoy said, it transpired in the informal part of his conversation with Ye. Gaydar that they had read each other's works. This had not disillusioned them about each other.

As for V. Lanovoy's own view of the prospects for economic reform in the republic, as he put it, it will be necessary to tighten up credit and monetary policy in Ukraine in the very near future. In particular, it will be necessary to considerably raise interest rates for centralized credit resources—just as Russia has done. In the sphere of privatization, the vice premier plans to go further than Russia. He plans to have transferred 35-40 percent of small and medium-sized enterprises and 10 percent of large enterprises to private hands by the year's end. In addition, foreign investors will have equal rights with Ukrainian citizens and corporate bodies.

'Secret Document' Prompts Controversy in Ukraine

PM0406104492 Moscow ROSSIYSKAYA GAZETA in Russian 4 Jun 92 First Edition p 7

[INTERSEPT-attributed article by Anatoliy Dotsenko: "Russia-Ukraine: Quarrels Between Sisters Forever"]

[Text] Are the documents published in a number of Kiev newspapers, dealing with Russian policy with regard to Ukraine, genuine? That question is currently occupying many Ukrainians, especially since the content of the documents sometimes seems improbable.

"How Russia Relates to Us"—an article under that heading, with the subhead "Top Secret," appeared in an issue of the newspaper VECHERNIY KIYEV. Its author claims that the editorial office has received a copy of a secret document "Four Options for Russian Policy With Regard to Ukraine," which, according to the newspaper's information, has been distributed in a small number of copies among the Russian leadership. "This strategy with regard to Ukraine could be called active friendly disregard"—the author quotes extracts from the secret document. "Official rhetoric should be markedly friendly toward the people, emphasizing respect for their choice, and oriented toward the constructive resolution of contentious issues. At actual talks, Russia's position can be tough, upholding the interests of Russia and the Russians [rossiyan], since unilateral concessions cannot create the necessary political climate in the next few years."

"Russia's policy," the newspaper goes on, "may be aimed at restricting Ukraine's economic growth and economic independence wherever that can be done without detriment to Russia's interests. In the political and diplomatic sphere, one should cautiously seek to bring about the maximum possible isolation of Ukraine and restriction of its political influence and opportunities to obtain aid." Here is another quotation: "Where the opportunity arises, the most extreme Ukrainian figures should be exposed to the fire of international criticism, creating a picture of an authoritarian, nationalist, neocommunist regime. Rather than being excessively compliant in granting embassy premises to Ukraine, this question should be linked to other contentious issues."

It is easy to imagine how the public in the republic received the published quotations, especially since extracts appeared in several other newspapers in the republic too. Realizing that if the copy proves to be a forgery, serious consequences could ensue, the VECHERNIY KIYEV editorial office vouched for the authenticity of the information cited. "The reader," the newspaper writes, "can compare these lines with the official actions of Russian officials."

For its part, LITERATURNAYA UKRAINA, the press organ of the republic's Writers Union, published extracts from the recommendations of Russian Science Foundation experts to the Russian Government on the problems of the Crimea. In their opinion Ukraine has no chance of resolving this problem in its own favor, but Russia does have such a chance. The experts advise the Russian leadership, at talks, to uphold the idea of a dual protectorate over the Crimea, which is the optimum means of securing the gradual return of the Crimea to Russia's bosom.

This item, like the previous one, prompted an upsurge of anti-Russian sentiments in the republic. The leaders of radical nationalist organizations took heart. "We warned you that Russia was, and is, an empire," they repeated at a recent rally. More moderate Ukrainian politicians were surprised at the absence of any reaction by the Russian leadership and the mass media to such serious accusations. "Silence means consent"—that could be heard in the corridors at the recently opened Ukrainian Supreme Soviet session.

Foreign Ministry on Ukraine, Finances

OW0506133192 Moscow INTERFAX in English 1322 GMT 5 Jun 92

[From "Diplomatic Panorama"; transmitted via KYODO]

[Text] "Our relations with Ukraine are just as important as those with the United States", Russian foreign minister Andrey Kozyrev was quoted as saying at a private meeting with the ministry staff yesterday.

In his words, relations with the former Soviet republics are seen as a priority by Russia and its foreign ministry which is planning a reshuffle for the best and most experienced diplomats to be used in that direction.

Kozyrev stressed that none of the Russian diplomats had so far refused to be posted in CIS troublespots saying there were more than enough of those who wanted to work there.

The minister called for everything to be done to avert a Yugoslav-style scenario of events in the former Soviet Union which, he said, would be the greatest blunder "on our collective conscience."

The ministry's financial standing was also high on the agenda. Deputy foreign minister Boris Pastukhov said its requirements were met only by 30% in the five months to June. The ministry needs a total of $21 mln [million] a month to cover the cost of salaries, utilities and schools for its embassy staffs, but it received only $29 mln instead of $105 mln over the period.

Pastukhov said the ministry was having to introduce austerity measures to cut spending and a series of unpopular but necessary moves.

Russian diplomats posted in other countries are allowed to spend holidays at home only once in two years, and the ministry has cut the strength of negotiating teams going abroad, as well as the number of bilateral consultations. Plans are under way to wind up 10 embassies and 14 consulates by the end of this year.

Diplomats working at home are also affected, head of the personnel department Valeriy Kinyaikin said pointing to low pay, shortage of accomodation (a total of 500 families are on the waiting list and offices.

The official put the number of redundancies made after the merger of the Russian and ex-Soviet foreign ministries at 1,000 saying last December marked the peak of layoffs. However, Kinyaikin said the core of diplomats remained intact.

Ukrainian-Russian Rivalry 'Worries West'

PM0506124792 Moscow IZVESTIYA in Russian 5 Jun 92 Morning Edition p 1

[Sergey Guk report: "Ukraine Asks NATO To Pressure Russia"]

[Text] The NATO country heads of mission in Kiev were probably surprised. Ukrainian Foreign Minister Anatoliy Zlenko had taken action that is infrequent in interstate relations: A note sent by him discusses not Ukraine's problems with the Western alliance or their allies, but with its CIS colleague—Russia.

To all intents and purposes, the note constitutes a complaint that Moscow arbitrarily considers itself the rightful successor to the USSR, and a demand that Russia follow the example of Byelarus, Kazakhstan, and Ukraine in signing the 1968 Nonproliferation Treaty. There is no reason for Russia to be any different.

It seems as though the Kiev leaders' desire to resolve Russo-Ukrainian problems not directly, but via the West is becoming a habit. It holds true of the question of dividing up the former USSR's gold reserves, which Leonid Kravchuk tried to resolve during his visit to the FRG. Or the dispute over the Black Sea Fleet, in which the Ukrainians preferred to see the United States rather than the CIS acting as arbiter.

Even the problem of tactical nuclear weapons—which Ukraine initially pledged to remove from its territory but later found a pretext for refusing to go ahead with—had to be resolved with Washington's help. It was there that Leonid Kravchuk was told what the consequences would be for his country of abandoning commitments concerning Western security.

It is understandable that Ukraine, which has been in the shadow of its "big brother" for many decades, now wants to assert its autonomy in the world as quickly as possible. This largely explains the current trend in its foreign policy—saying "no" whenever Moscow says "yes." Naturally, Kiev politicians do not like it at all when someone abroad views Russia as the rightful heir to the USSR—as the EC countries have stated, for instance.

For its part, the West too takes little joy in observing the war of words between Ukraine and Russia. It sees this not as a sign of sovereignty but as a potential threat—and this is persistently being said by everyone from CIA analysts to politicians of the standing of H. Kissinger. Europe has plenty to worry about in Yugoslavia without the CIS. The West's worries are justified: All the recent fine agreements within the CIS framework—from the single command of the common military-strategic area, through the economic and ruble zone, to the cultural legacy—are all crumbling and being swept away in the feverish urge to divide everything up.

The failure of several rounds of talks between Russia and Ukraine should not cast a pall of dark pessimism over the two countries' relationship. Their diplomats should mobilize all their reserves of patience to establish a compromise and take into account each other's interests as the basis for the future of these two mighty neighbors.

Change in Yeltsin's Attitude Toward CIS Noted

LD0206134392 Moscow Russian Television Network in Russian 1000 GMT 2 Jun 92

[From the "Vesti" newscast]

[Text] It seems that the Russian leadership, tired of Kiev's obstructionist policy, has decided to change its policy with regard to the countries of the CIS.

Thinking that Russia cannot live without Ukraine, Kravchuk is openly blackmailing Yeltsin—he says the Black Sea Fleet is ours, otherwise we will put an end to your Commonwealth, and the Crimea belongs to Ukraine.

In such conditions, Yeltsin has switched from vertical links among the CIS countries to vertical relations [as heard]. In other words, Moscow has started building its relations on a bilateral basis, ignoring the framework of the CIS.

On 25 May, a treaty on friendship, cooperation, and mutual aid was signed with Kazakhstan. On 26 May, Kyrgyz President Akayev declared his readiness to sign a similar agreement. On 29 May, Uzbek President Karimov flew to Moscow to sign a corresponding treaty. Now Turkmen President Niyazov has announced that he also wishes to sign a military agreement with Russia.

It may be that a broad relationship based on treaties will also be established with several republics of the Caucasus, including Georgia, Armenia, and Chechnya.

Political and economic ties between the republics of Central Asia are also being shaped in parallel.

Thus, the acuteness of the conflict between Moscow and Kiev is cooling off to a considerable extent. Kravchuk's energetic statements and his overt threats to take decisive measures are sounding more and more like rhetoric aimed at satisfying the demands of Ukrainian nationalists, and that means that the danger of a direct confrontation between Russia and Ukraine, and also between the countries of Central Asia and even in some regions of the Caucasus, is diminishing.

Naturally, a quite new prospect is opening up—the legal basis for horizontal links between states of the former Soviet Union may entirely replace the declaratory documents of the Commonwealth, since every new meeting of its leaders looks like the last one and the speeches of its participants sound like a requiem for the CIS.

Rutskoy Will Head To Latin America for Talks

Tour Previewed

LD0406060592 Moscow Mayak Radio Network in Russian 0428 GMT 4 Jun 92

[Text] Today Russia's Vice President Aleksandr Rutskoy is setting out on a trip around the countries of Latin America. He will visit Venezuela, Argentina, and Brazil. We have already reported this. Here are the details.

On 5 June in Caracas Rutskoy will take part in the opening of Russia Days in Venezuela. In Rio de Janeiro, the vice president will attend the concluding stage of the UN Conference on the Environment and Development. During the conference, he is expected to meet with the head of the American delegation. In all three countries, meetings of Rutskoy with the presidents of these states are planned.

As reported to the RUSSIAN INFORMATION AGENCY by Andrey Fedorov, the vice president's aide, in Latin America Rutskoy intends to show that the positions of Russia are not just orientated toward the West. Our presence in South America will no longer be linked with ideology, said Fedorov. There are similar tendencies in the development of the countries of Latin America and Russia, and advantage must be taken of them.

Leaves For Tour

LD0406202792 Moscow ITAR-TASS in English 1939 GMT 4 Jun 92

[By ITAR-TASS correspondent Aleksandr Mineyev]

[Text] Moscow June 4 TASS—Russian Vice President Aleksandr Rutskoy left for a tour of South American countries on Thursday [4 June]. He will visit Venezuela, Argentina, and will take part in Earth Summit in Brazil.

Observers believe Rutskoy's route lies along those countries, which are engaged in radical changes towards free market.

Federation Admittance Into IMF Analayzed

LD0206100192 Moscow ITAR-TASS World Service in Russian 0035 GMT 2 Jun 92

[By ITAR-TASS correspondent Aleksandr Korolev

[Text] Washington, 2 Jun—On Monday [1 June], Russia became a member of the International Monetary Fund (IMF). Its official admission into this international financial organization was marked at a formal ceremony here to sign the so-called articles of agreement or rules of the IMF. On behalf of the Russian Government, Konstantin Kagalovskiy, its plenipotentiary representative for collaboration with international financial organizations, put his signature to these documents, which define Russia's rights and obligations as a new member of the IMF.

In a conversation with this ITAR-TASS correspondent, Kagalovskiy noted that this step provides our country with access to considerable financial resources which the fund is willing to grant this very summer. All in all, by the end of this year Russia should receive about $4 billion dollars in the form of IMF loans. K. Kagalovskiy said the Russian Government's decision not to increase fuel prices to world levels will not influence the provision of these credits.

Kagalovskiy Comments

LD0306212892 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 2000 GMT 3 Jun 92

[Interview with Konstantin Kagalovskiy, Russian representative for interaction with international financial organizations, by B. Kalyagin in the lobby of the U.S. State Department following Russia's signing of the IMF Charter; from the "Novosti" program—recorded]

[Text] [Kalyagin] When can we actually expect credits from the International Monetary Fund?

[Kagalovskiy] We will conclude an agreement on a credit reserve with the International Monetary Fund, and this agreement will open the way toward credits from the IMF and others, I think, this summer.

[Kalyagin] President Yeltsin stated that we could not yet increase fuel prices to world levels. Do they have an understanding here of our difficult position, or might this affect the granting of credits?

[Kagalovskiy] Of course they have an understanding. It is absolutely obvious that we cannot raise oil prices to world levels, and, generally speaking, we have never intended to do this. Between the world level and a local price there is always an export tax and an internal tax, and, therefore, there is a certain gap and this is a quite natural situation for us.

West's Interests Spurred Admittance

PM0406081992 Moscow KOMSOMOLSKAYA PRAVDA in Russian 3 Jun 92 p 1

[V. Prokhvatilov commentary: "Not Russia but Russian Oil Has Been Admitted to Monetary Fund"]

[Text] The ceremony marking Russia's official admission to the IMF has taken place in Washington. Many lances have been broken over the admission of the former "empire of evil" to this international organization. The debate has mainly been on the topic of whether the credits allocated by the IMF will be sufficient to extricate Russia's economy from profound crisis. People are also pondering on whether the game is worth the candle. That is, is it necessary to subject the people to such grave privations for the sake of a rather small sum, which all the same will have to be paid back, and with interest moreover? The most skeptically-minded members of the opposition, who preach a home-grown variety of the ideas of chuche [North Korean self-reliance philosophy], advise people to rely on their own resources and sternly reject the devil's promises....

Quite honestly, the $24 billion that we have now been promised will definitely not suffice. True, to judge from reports in the U.S. press, Mr. Camdessus, the IMF president, is thinking of increasing this sum. As for the drop in living standards, it undoubtedly could have been not so abrupt if our actions had been more consistent.

Russian isolationists, particularly those who maintain that the IMF will enslave, ensnare, and deceive us, must understand that it is, generally speaking, a normal thing to be a member of the IMF. It is an international norm of life.

If it is worth pondering on anything, it is on the real reasons for Russia's so swift admission to the IMF. For if anyone thinks that IMF experts seriously believe that Gaydar has eliminated the budget deficit and stabilized the ruble, then such a person is simply naive.

Russia has been admitted to the IMF not out of pity, but at the request of multinational oil corporations, which are interested in Russian oil but need appropriate international legal guarantees. Such interest is mutual in principle. Russia needs modern technologies in order to maintain the level of oil extraction. If there were obstacles in the way of Russia's admission to the IMF, they were not so much the financial instability as guarantees that the interests of Western capital will be observed.

Is it not this that accounts for the departure from the Ministry of Fuel and Energy of the well-known financier M. Khodorkovskiy, who formulated a plan to attract Russian investments to Russian oil, and then also the removal of Minister Lopukhin, who had supported him?

As is known, Lopukhin was replaced by V. Chernomyrdin, a powerful sectoral "general." It is a well-known fact that the interests of our oil and gas "kings" have long been firmly interwoven with the interests of Western corporations.

The IMF credits, however many they might give us, are nothing compared with the hundreds of billions in Western investments which might pour into Russia. The whole question is who will receive the dividends from the exploitation of Russia's natural riches. The answer to this question is not yet clear.

Loans, Exchange Rate Cited

PM0406102592 Moscow IZVESTIYA in Russian 3 Jun 92 Morning Edition pp 1, 5

[Aleksandr Shalnev report: "Russia Becomes Full Member of the IMF, But Has Not Yet Received Any Dollars"]

[Text] On 1 June, Russia signed the IMF Charter and became a full member of the organization.

Does this mean that it will be able to start receiving money from the fund straightaway?—I asked Konstantin Kagalovskiy, the Russian Government's official representative for relations with international financial organizations.

No, answered Kagalovskiy, who had actually signed the charter on Russia's behalf and who, according to persistent rumors, will become—by the fall—the Russian director on the board of the fund, that is to say, an international official.

According to the explanations which he gave, the situation looks as follows: First, Russia should make its own contribution to the fund before it starts counting on any credits or loans. Our initial quota has been set at approximately $4 billion. Around 23 percent of that sum, in other words almost $1 billion, must be paid in hard currency. Our currency reserves are, according to Kagalovskiy, "close to zero," but we will obtain currency from the G-7 countries in the form of so-called one-day credit, we will use it to pay our entrance fee, and we will obtain there and then our first loan from the IMF and immediately use this loan to repay our creditors from the G-7, who will not demand interest from us. An accord on such a one-day transaction is already in being.

Second, some time toward the middle of summer or possibly earlier, we will start receiving in stages from the fund standby [rezervnyy] credit worth $3 billion. However, for this to happen, it is necessary to resolve our economic program and plans with the IMF.

I asked our representative to confirm the forecast which he made in Moscow several weeks ago that the ruble [R] will settle at a level of roughly R80 to the dollar by 1 August. Kagalovskiy confirmed that a single exchange rate to replace the three current ones will be introduced 1 July. As far as the parameters and timeframe for the stabilization of the ruble are concerned, that, as he said, "is my personal expert opinion."

I also asked what circumstances would necessitate Central Bank intervention to support the ruble at a set level which, as Kagalovskiy said several weeks ago, could fluctuate within a permissible range of plus or minus 7.5 percent. Does this mean that if the rate of the ruble falls to, say, R90 to the dollar the bank will have to start using the dollar-based stabilization fund, which will be formed by Western subsidies?

As I understood from our representative's answers, intervention will be used in considerably more radical situations, when the fluctuation of the ruble rate is "qualitatively different," that is when it exceeds the 7.5-percent limits by several orders of magnitude.

Western Aid Seen as 'Mainly Moral' Support

PM0106115192 Moscow SOVETSKAYA ROSSIYA in Russian 26 May 92 p 1

[Unattributed extract from "Diagnosis (Spring 1992)" report, presented by G. Yavlinskiy (Economic and Political Research Center): "24 Billion in Western 'Aid' under Closest Scrutiny: 24-11-2.5-6=4.5"]

[Text] ....The scale of the program proposed by George Bush—$24 billion for just one year—is mind-boggling. It is roughly one-third of the existing foreign debt of the former USSR, built up during the years of the cold war and perestroyka.

The first large chunk of it—11 billion—basically comprises the credit lines opened for Gorbachev back at the end of 1990 and 1991 (as a sign of gratitude, among other things, for his stance vis-a-vis East Europe and the unification of Germany, and his commitment to democracy in the USSR). This is "old" money, Russia's receipt of which was confirmed by the G-7 countries during recent visits by Boris Yeltsin. It involves credits conditional upon the importation of goods from those actual countries.

The second part of the sum—$2.5 billion—represents the deferment of debt payments to official Western creditors which has been granted until 30 June this year, when talks will have to be resumed. This amounts to forced aid—the republics of the former USSR are not in a position to service the debt.

The third part is the receipt of $4.5 billion from international financial bodies since Russia's accession to the IMF.

This represents a standard and natural course of events.

Finally, the new element in the U.S President's initiative is $6 billion to form a ruble stabilization fund for Russia. One should not count on all this sum being spent inside the country—no fund as such is being created; it amounts to open credit lines from G-7 countries, and control over the appropriateness of their use will clearly be vested in the IMF leadership. We know from Poland's experience that the formation of a stabilization fund is one of the most attractive forms of aid for donor-countries, as no money is required—the fund's resources are not, in practice, allocated to the country. The ideology behind the creation of a stabilization fund is help for self-help. It is mainly moral, rather than financial, support.

So aid for the time being takes the form of honoring (not in full!) old promises, natural steps, and moral and political support. Essentially the initiative lies not in allocating money, but in reorganizing already allocated resources....

Thus, the real content of the promised billions has nothing in common with the Marshall Plan. Surely the government, whose main attribute is its great professionalism, must have realized this.

What is involved here, then? Perhaps it is self-suggestion coupled with mass hypnosis? Certainly ordinary Americans now think that they have given us 24 billion, while we are sure that we have already received it. The situation in our economy is too complex and will most likely get worse toward the end of the year. We do not think that the aid given will, in principle, change this situation.

Minister Comments on Increase in Western Aid

LD0406075392 Moscow Radio Rossii Network in Russian 0900 GMT 3 Jun 92

[Text] Western humanitarian aid to our country has recently increased, Ella Pamfilova, minister for social protection of the population, told a correspondent from the RIKA agency. During the past 24 hours alone, 1,582 tonnes of humanitarian deliveries have arrived in Russia from a number of eastern and western countries. According to republican internal affairs figures, no incidents of theft or misappropriation have been noted. Pamfilova believes that in general the distribution of humanitarian aid will no longer be the subject of scandal since foreign suppliers will take care of it themselves.

Aven Says Exports Income 'Beginning To Grow'

LD0406081792 Moscow Radio Moscow World Service in English 1100 GMT 3 Jun 92

[Text] Russia's incomes from export are beginning to grow. The republic's Minister for Economic Contacts with Other Countries [Minister for Foreign Economic Relations], Petr Aven, said that to newsmen in Toronto, Canada. He said in April incomes from export amounted to 3.5 billion dollars. The minister, who took part in the conference of the International Monetary Fund, stressed that by 1 July Russia hopes to stabilize the exchange rate of the ruble against the dollar. For that purpose an international stabilization fund of six billion dollars is being set up.

Report of Terrorists in St. Petersburg Refuted

MK0406133592 Moscow NEZAVISIMAYA GAZETA in Russian 4 Jun 92 p 2

[Denis Gurinskiy report under the "Scandal?" rubric in feature under general heading "Palestinians in St. Petersburg: No Terrorists Discovered, But Did Something Happen There After All?"]

[Text] The scandal which ensued after the first publication on this matter seriously affected not only the subject of the high feelings in question—the St. Petersburg administration of the Russian Security Ministry—but also the city administration and the St. Petersburg association of Arab students. Staffers of Arab countries' diplomatic missions in Russia, journalists, deputies, and officials of the Russian Foreign and State Security ministries rang and paid urgent visits to Russia's second capital city to try to find out who had gotten onto the trail of the Arab terrorists, where, when, and under what circumstances.

However, we had to wait a few more days for news in this case until a delegation from the Palestinian embassy came to the St. Petersburg Big House. The Palestinians were not satisfied with the vague official phrases about the noninvolvement of Palestinian students in the affair and demanded a detailed reply. Consequently, the St. Petersburg intelligence department press service issued an eclectic statement 28 May on the orders of Aleksandr Kuznetsov, chief of the Antiterrorism Service. The statement speaks of the opening of an investigation "into instances of the use of forged documents by certain citizens of Arab states intending to leave Russia for Scandinavia." In addition, the intelligence staffers assured the Palestinian delegation that no anti-Arab plots are being hatched in St. Petersburg because "....in the same jail now containing a representative of an Arab state, there is also an Israeli citizen with very extensive international crime links." However, while the Palestinians welcomed this turn of events, there was much bewilderment at the State Security administration and among St. Petersburg journalists. After all, a few days before the scandal broke, antiterrorism chief Kuznetsov said the complete opposite in an interview in the newspaper SPB-VEDOMOSTI.

Another official at the Big House—press service chief Yevgeniy Lukin—is also "rehashing" the account of the operation even though a couple of weeks ago he sought to persuade staffers at various editorial offices of the extreme urgency of the investigation, which could soon affect Russia's state relations with the Arab world.

Nevertheless, are the St.Petersburg intelligence officers really so unprofessional that they would not coordinate the release of this unambiguous "information package" to the press? I should think not. The same source which previously informed us about the "detention of three or four Arab students of Palestinian origin" now claims that it was wrong. However, a spokesman for the security service directly responsible for protecting consulates general in the city attributes the error to the fact that on the eve of the operation, it was ordered to reinforce the external protection of some Western consulates in view of a potential terrorist threat. There was also mention of the suspicious activity of three or four Palestinians studying at the No. 1 Medical Institute. Therefore, when the intelligence people conducted an "antiterrorist operation" 18 May and the administration learned about the confiscation of weapons, the source presumed that these Palestinians were the ones involved. In addition, the St. Petersburg State Security department knows that the Antiterrorism Service is "let off the leash" only to suppress major terrorist groups and certainly not to catch an individual with forged documents.

Shokhin Signs Russian-Chinese Trade Agreement

OW0406063792 Moscow Radio Moscow in Mandarin 0900 GMT 3 Jun 92

[Roundup On Commercial And Economic Exchanges Between China and CIS; from the Radio Magazine "Good Neighborly Exchange" program]

[Text] A major event occurred in May in relations between the CIS and China. A Russian delegation headed by Shokhin, vice president of Russia, visited China in early May and signed the 1992 Russian-Chinese Trade and Economic Cooperation Agreement. Shokhin said the document had decided on the volume of trade. The trade between China and Russia, however, does not limit trade.

Russia mainly exports equipment needed for plants built with Russian assistance. Most Russian-Chinese trade is conducted through direct trade, border trade, and barter trade.

However, localities, plants, and companies in Russia now directly trade with China. Approximately 2,000 Russian plants have trade relations with China.

The cooperation between Russia and China is not limited to commercial trade. Both sides are holding talks on new methods of cooperation such as joint investment which holds promise.

During the visit to China, the Russian delegation discussed similar matters with the Chinese side. For example, the two sides reached agreement on building a joint business operation zone in the border region; on establishing operating mechanisms for joint ventures; on building a trade center in Moscow; and on formulating effective rules and procedures for commercial cooperation.

During its visit to China, the Russian delegation signed agreements on social and labor cooperation, on Russia utilizing Chinese labor, and China utilizing Russian experts. China paid particular attention to the draft on utilization of Russian experts because they could help China modernize plants built with their assistance.

Kyrgyzstan President Akayev made a successful visit to China in May. He signed a number of agreements with China, among which were a number of specific measures to step up cooperation between the two countries.

In the Sino-Kyrgyz communique, both sides pledged to strengthen cooperation in various fields, particularly in expanding exchanges in the areas of politics, trade, economic, science, technology, transport, education, public health, culture, art, information, and tourism.

The talks between the leaders of Kyrgyzstan and China mainly dealt with the issues of peace, development, disarmament, and prevention of arms race.

They held similar positions on such international issues as the prevention of power politics. Both sides held that all countries have the right to choose their own social systems; idelogies; economic systems; and ways of development based on their own characteristics.

Differences over these issues should not hamper normal state-to-state cooperative relations. Assessing the results of the Kyrgyz delegation's visit to China, leaders of the two countries stressed that the traditional friendly and neighborly relations between the peoples of Kyrgyzstan and China have entered a new stage.

Both sides were convinced of the great prospects for developing the bilateral relations.

Sales of Military Aircraft to China Noted

OW0506024192 Moscow Radio Moscow in Mandarin 1200 GMT 5 Jun 92

[From the "Good Evening China" program]

[Text] In an article in [words indistinct], the paper's observer Biryukov commented on reports by news agencies regarding the sales of Su-27 fighters and Il-76 transports by Russia to China.

Biryukov noted that Russia is already engaged in all kinds of cooperation with China, and the military sphere is only one of the not too extensive cooperation.

Biryukov held that such transactions are completely reasonable. Since Russia has signed the agreement to supply China with military technology, it implies that the Russian Federation feels that the countries buying such technology will not threaten their own national interests as well as friendly countries. On top of that, the economic benefits from such a transaction are also very important since the supply of military technology and weapons is also an major source of funds.

U.S. Extension of MFN Status to China Noted

OW0406182192 Moscow Radio Moscow in Mandarin 0900 GMT 4 Jun 92

[Commentary by station observer Alekseyev; from the "Current Event and Commentary" program]

[Text] U.S. President Bush announced the extension of most-favored nation [MFN] status to China for another year. It has not been easy for the U.S. president to achieve this goal. He was strongly opposed by Congress in last March, when the White House made public for the first time, Bush's decision to extend China's MFN status for another year. The decision drew a strong reaction from the Congress. During congressional debates, many congressmen argued that the United States should not give any preferential treatment to China because China has violated human rights.

In April, the executive and legislative branches were locked in a heated battle over whether to offer MFN status to China. Congressmen opposing the idea were a few votes short of overriding the president's decision.

According to sources in Washington, even now these congressmen still do not accept their defeat. Under the U.S. Constitution, the Congress is allowed 90 days to override any decision from the White House. However, the prevailing opinion in the U.S. press is that the opposition may not be able to have their way.

I would like to point out here that the U.S. president did not disagree with the Congress' criticism of the human rights situation in China. In fact, he made clear his position on this issue. Bush mentioned that it was all right to agree with the Congress's stand; however, the differences between U.S. and Chinese leaders on the issue should not have any adverse impact on the economic relations between the two countries. He noted in his statement issued on 2 June, that developing the relations between the United States and China based on the principles of equality and mutual benefit was to the advantage of the United States. Bush believed that such a stand will help bring Washington and Beijing closer on the human rights issue.

In its attack on the White House's policy toward China, the opposition in the Congress repeatedly mentioned U.S. trade deficits with China in recent years. Last year, China recorded a trade surplus of $12.7 billion with the United States. However, the U.S. president said that trade deficits with China had been somewhat eased.

At the U.S.-Chinese trade talks held in Beijing at the end of May, China took a big step forward in satisfying U.S. wishes by abolishing import permits for certain commodities from the United States and reducing import tariff for 50 kinds of commodities. It should be pointed out that this move greatly weakened the position of those advocating a cutback in U.S.-Chinese trade.

Safety-at-Sea Consultations Held with U.S.

PM0406135992 Moscow KRASNAYA ZVEZDA in Russian 27 May 92 p 3

[Correspondent Senior Lieutenant V. Fatigarov report: "Aircraft and Ships Top Priority, Submarines Forgotten. But They Gave Their Own Reminder"]

[Text] The Navy Press Service has informed us that the 20th annual Russian-U.S. consultations between naval experts on the problem of avoiding incidents on the high seas and in the airspace above them, as well as dangerous military activity, have been held in Moscow. These questions are regulated by two Soviet-U.S. agreements (1972 and 1989).

Unfortunately, operations by submerged submarines in combat training areas are outside the documents' scope. Our side raised the question regarding them for the first time in the last decade. This was prompted by the February incident in the Barents Sea—the collision between the U.S. nuclear-powered submarine Baton Rouge and one of the [Russian] Navy's nuclear-powered vessels. In the past 25 years a total of 10 submarine collisions have occurred in the combat training areas of the Northern and Pacific Fleets.

On the last day of the consultations, the naval representatives—Vice Admiral V. Lyashenko, first deputy chief of the Main Staff, and Chief Navigator Rear Admiral V. Aleksin—and other experts set out their proposals for making additions to the aforementioned documents.

In turn, the U.S. side, headed by Vice Admiral L. Smith, deputy chief of U.S. Navy Plans, Policy and Operations, will convey them to its command and the U.S. Government.

It is to be hoped that an intergovernmental agreement will be reached on this question and maybe this will occur, as expected, during the summer visit to Russia by Admiral F. Kelso, chief of U.S. Naval Operations.

Yeltsin, Nigeria's Babangida Stress Solidarity

LD3005045592 Moscow ITAR-TASS World Service in Russian 0810 GMT 28 May 92

[Text] Moscow, 28 May (Itar-Tass)—In the renewed Russia, the peoples of Africa have a firm and constant supporter of ensuring peace, stability, security, freedom and democracy, says a message from Russian Federation President Boris Yeltsin to Ibrahim Babangida, chairman of the Organization of African Unity and president of the Federal Republic of Nigeria.

The message expresses solidarity with the states of the continent of Africa aspiring to consolidate their independence, the democratization of economic and political life and the observance of human rights. The Russian Federation intends to maintain and strengthen both its bilateral contacts with the countries of Africa, and its cooperation with such prestigious forums as the OAU in the interests of resolving problems which come to a head. Stripped of ideological dogma, Russia's foreign policy line in Africa is aimed at further deepening political dialogue with the countries of that continent, doing everything possible to facilitate clearing up conflicts and other crisis situations and developing mutually beneficial cooperation. As a permanent member of the UN Security Council, Boris Yeltsin noted, our country is fully determined to act in the interests of affirming new relations among states on the basis of the primacy of democracy, human rights and international law, and to cooperate with the states of Africa and other members of the world community in the framework of international organizations.

A message in reply from Ibrahim Babangida to Boris Yeltsin stresses solidarity with the efforts of the Russian Federation president to achieve the noble aims of the reforms in Russia and confirms Nigeria's readiness to further strengthen its political, economic and cultural cooperation with the Russian Federation.

Cooperation Treaty With Estonia Signed

PM0406135392 Moscow ROSSIYSKIYE VESTI in Russian 2 Jun 92 p 1

[Untitled unattributed report under the general heading "Contacts"]

[Text] A treaty on cooperation between the Russian Federation Ministry of Culture and Tourism and the Estonian Republic Ministry of Culture has been signed in Moscow. The sides agreed to adopt measures to provide legislative protection of the cultural interests of Russians living in Estonia and of Estonians living in Russia. Material support for ethnic cultural societies is also envisaged.

Furthermore, the sides committed themselves to prevent the export of one another's historical and cultural valuables by illegal means. It was also decided to examine questions of the return of such valuables which have for various reasons found themselves on the other side's territory.

Rutskoy Responds To Questions on Najibollah

LD0106135892 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1300 GMT 31 May 92

[Excerpts from interview with Russian Vice President A.V. Rutskoy by unidentified announcer; place and date not given—recorded; from the Panorama program]

[Excerpts] A Soviet plane once landed in Kabul, the capital of Afghanistan. Although the mujahidin were shelling the airport, Soviet Foreign Minister Eduard Shevardnadze and KGB Chairman Vladimir Kryuchkov got out of the plane. They had arrived in Kabul to offer President Najibollah congratulations on his birthday. On that day, Shevardnadze promised Najibollah that Moscow would never betray him. A few years went by. A revolution took place in Kabul. Najibollah was removed from power. Moscow did not even attempt to get Najibollah out to Russia, and, indeed, he himself did not insist. He did not wish to repeat the fate of Erich Honnecker.

[Announcer] Aleksandr Vladimirovich, I don't doubt that you have a clear-cut attitude to treachery at the front. In your view, does treachery exist in politics? Some experts consider that we betrayed President Najibollah.

[Rutskoy] Well, you have put the question very categorically, and it can be answered equally categorically. Before answering this question affirmatively, we have to remember what the situation was. No one betrayed Najibollah. You can talk about betrayal in politics existing when people suffer from a betrayal. However, when the situation itself is justified by the development of historical events, and when these historical events develop in such a way that they solve problems, particularly frightening problems when people are dying, this cannot be called betrayal in politics.

[Announcer] [passage omitted] We can expect the mujahidin to put the question in the near future when reparations are discussed. That means billions and billions of dollars. This would not have happened under Najibollah.

[Rutskoy] Well, you know, nothing is guaranteed under Najibollah, or Babrak [Karmal], Mojaddedi, or Rabbani. This does not depend on who is running the state. It depends on relations, on a mutual understanding of this situation. You see, we could have also put forward reparations from Germany after the Patriotic War, but that didn't happen. Here, we also have to appreciate this situation. If you approach this question objectively, who can actually define what was destroyed, when, by whom, and how?

[Announcer] As far as I know, in the mid-eighties the mujahidin scrupulously documented the damage caused by Soviet troops in Afghanistan, right down to the numbers of units and names of commanders. In the near future they may demand an international court like the Nuremburg trials. Are you not afraid that your comrades-in-arms could end up in the dock as the accused at an international court?

[Rutskoy] That is the easiest thing in the world to do. A war was going on. It may have been an undeclared war, but it was still, in essence, a war. Mujahidin died. Our servicemen also died—privates, officers, and generals. However, in this situation it is not the military fighting the war who should be in the dock; it is the politicians who made the decisions who should be in the dock.

We have to separate the bluebottle from the meatballs correctly. What is the bluebottle guilty of here, and what are the meatballs guilty of? In any case, the bluebottle will fly away. I think that we have to approach this question in a civilized manner. Where was the guilt of, say, Sergey Frolov. He was a cadet, with me. He fought, was captured, and, thank God, returned. Where was his guilt? Where is the guilt of someone who goes around the whole time without legs in a wheelchair? Where is the guilt of someone who was buried a long time ago and who has not been in this world for a long time? There is no guilt here of privates, soldiers, and generals.

[Announcer, back in studio] We have learned from well-informed sources close to the Foreign Ministry that Vice President Rutskoy has sent a letter to the mujahidin asking them to display humanity toward President Najibollah. The letter says that otherwise, the authority of the mujahidin will be damaged in the eyes of the international community.

Yeltsin Congratulates Italian President

LD2905110192 Moscow ITAR-TASS in English 2142 GMT 28 May 92

[Text] Moscow May 28 TASS—Russian President Boris Yeltsin sent a message to Italian President Oscar Luidi Scalfaro congratulating him upon the election to the post.

"We know you as prominent politician with huge professional experience, as supporter of the deepening of Russo-Italian dialogue in every area", the message says. "I hope that relations between our two countries having rich history will be further developed fruitfully".

Federation Affairs

Yeltsin Chairs Government Session in Kremlin

Borders To Be Strengthened

PM0406173392 Moscow IZVESTIYA in Russian 5 Jun 92 Morning Edition p 1

[Report by Vasiliy Kononenko: "Russia Sets About Strengthening Its Borders"]

[Text] President B. Yeltsin's announcement at the 4 June government session that Russia will immediately strengthen its borders with CIS states can be described as sensational. It was made during a discussion of the question of strengthening Russian internal affairs bodies.

In his report, Internal Affairs Minister V. Yerin cited data on the state of our militia and crime: There has been a catastrophic growth in the number of robberies, particularly armed robberies. According to expert estimates, their number could double by 1995. The internal affairs organs are carrying out large-scale operations. In April-May alone 12,000 crimes were solved and approximately 2,500 criminals were apprehended, having caused damage to the state in the amount of 8 million rubles [R].

In accordance with the president's decree, a war is being waged against corruption. A group of criminals that had been laundering money [zanimalas onalichivaniyem deneg] through the Russian Central Bank and commercial banks was recently uncovered. A search revealed that they were in possession of R30 million in cash.

Having painted a picture of the state of crime in Russia, the minister asked for extra funds to strengthen the militia. Today, he said, we can clothe only one in two militia officers, but we can shoe only one in three; there is not enough money for the rest.

The grim picture was further fleshed out by Culture Minister Ye. Sidorov. Items of national value are being exported from Russia en masse; 80 percent of iconography works are already abroad. There are several reasons for this: There is no law on the export and import of items of cultural value; there are no special services to monitor this process; and we still have no idea what a border is. This urgent problem needs to be solved immediately.

In this connection, the president announced that the Security Council, which met on 3 June, had decided on urgent measures to strengthen the Russian state border and customs service. The thing is, the president continued, that some CIS states, primarily in Central Asia, are making decisons on entry into and exit from their territories without a visa. So, for example, criminals and even intelligence agents are getting into Russia via Kazakhstan and are damaging its national interests. You get a similar picture in the Baltic area, in Moldova, and in Ukraine.

It was decided to create Russian border forces in addition to those that exist within the framework of the CIS. They will be under the Russian Security Ministry. There will be a parallel strengthening of the customs services, particularly in the Baltic sector. It was also decided to create state borders with Ukraine, and then with Azerbaijan, and also a customs border with Georgia.

The outcome of the discussion of this issue was a proposal by the president to support the minister of internal affairs' appeal. But he voiced doubt about the advisability of a sharp increase—by 140,000—in the numerical strength of the internal affairs organs this year and next.

The government also discussed the question of establishing a land and agrarian reform center, which had been held over from a previous session. There were differences of opinion due to the fear that yet another state structure might appear—an additional structure or a structure superior to the Agriculture Ministry. These fears resurfaced today. Nonetheless it was decided to finalize the proposal, which was made at the session by Vice President A. Rutskoy, and to back the idea of setting up the center.

A third item concerned the creation of a federal contract system and a program for privatization in trade in 1992. The gist of it is that the Trade Ministry will concentrate its efforts on controlling the flow of goods and on the speediest privatization of trade enterprises, not on controlling trade.

Custom, State Borders Set Up

LD0406132792 Moscow ITAR-TASS World Service in Russian 1213 GMT 4 Jun 92

[By ITAR-TASS correspondents Ivan Ivanov and Gennadiy Talalayev]

[Text] Moscow, 4 June—The decision to set up a land and agro-industrial reform center has been adopted by the Russian Federation Government at a regular meeting held in the Kremlin today. It was chaired by Boris Yeltsin. It was decided to instruct Vice President Aleksandr Rutskoy to coordinate the work of the center.

The tasks of the new body are expected to include the support of entrepreneurs in agriculture and in the industries connected with it, the promotion of a speedy formation of market structures in the agrarian sector and the spheres of trade and consumer services.

Speaking on the question of setting up the center, President Boris Yeltsin said that the land and agro-industrial reform center will pave the way from the past system of tough centralization to free farming.

In 1991 for the first time the number of crimes in Russia exceeded two million and was 18.1 percent up on 1990, Interior Minister Viktor Yerin said at the session. In the current year crime rose again by another 35 percent.

Speaking on the question of strengthening the interior bodies, he said that the situation has been substantially complicated by the illegal distribution of weapons and by greater incidences of them being used for criminal purposes. As a result of militia's efforts, this year 76,000 more crimes were detected than last year, Viktor Yerin said. All the reserves possessed by the MVD enabling it to maneuver forces and resources have been exhausted. A critical situation has arisen with personnel. The militia's work load is greater because they are understaffed.

While this item on the agenda was discussed, Culture Minister Yevgeniy Sidorov raised the question of the loss of cultural assets from Russia. Boris Yeltsin replied that a decision has been passed on to set up border troops of Russia, which will be subordinated to the Security Ministry. According to him, as a top priority, it is planned to set up customs and state borders with Latvia, Lithuania, Estonia, Ukraine, and Azerbaijan. A customs border will be set up with Georgia. In his speech President Yeltsin said that the interior bodies need support, and notably in technical supplies.

Nations Sought To Aid Harvest

LD0406161192 Moscow Russian Television Network in Russian 1000 GMT 4 Jun 92

[From the "Vesti" newscast]

[Text] We must prepare for this year's harvest in the best possible way; perhaps we could invite foreigners; Mongolia could help Altay after finishing its own harvest; Eastern Europe does not refuse such help, Boris Yeltsin said at today's government session. The situation is complicated: The peasants refuse to harvest because of fuel prices; they will not buy fuel at the set price. The president instructed that a compensation program be drafted urgently. The situation that has arisen was brought about by the fact that the land and agroindustrial reforms have bogged down. The president feels the main barrier is not the conservatism of state agricultural structures—although this is apparent—but a most profound antagonism between individual farmers and members of collective farms. The latter earn two or three times less today.

The issue of setting up a center for land and agroindustrial reform and its structures topped the agenda at today's government session. Vice President Aleskandr Rutskoy used a military manner—using posters and diagrams—to brief those assembled on plans for yet another operation to achieve a great land reform breakthrough. It boils down to the need to unite the efforts of all state and public structures to revive the countryside and create a transitional body on the road to decentralized administration. The presidential decree on setting up the center will be signed on 15 June, taking into account the remarks voiced today.

Decollectivisation 'Inadmissable'

LD0406123692 Moscow ITAR-TASS in English 1200 GMT 4 Jun 92

[By ITAR-TASS correspondents Ivan Novikov and Gennadiy Talalayev]

[Text] Moscow June 4 TASS—The Centre of Land and Agricultural Reform, which the Russian Government decided to create on Thursday [4 June], should become a bridge between the old centralised system and private farmers, according to Russian President Boris Yeltsin.

"Forced decollectivisation in agriculture" is inadmissible, he told a governmental meeting on Thursday.

In the 1930s Joseph Stalin ordered forced collectivisation in the countryside which ruined all private farmers.

Yeltsin also proposed to institute the post of yet another deputy prime minister who would deal with agriculture and asked to nominate the candidate.

The president said he would sign a decree on the creation of the centre on June 15 when all documents are finally worked out.

Russian Vice-President Aleksandr Rutskoy was authorised to coordinate the work of the centre, which is to support entrepreneurs in agriculture and promote reforms.

To fulfill the tasks, Rutskoy proposed that several ministeries be subordinated to the centre, but the government opposed, fearing that the centre, as Economy Minister Andrey Nechayev put it, becomes "a superministry and the ghost of the former Gosagroprom", a mighty amalgamation created in the former Soviet Union which failed to boost agricultural production.

President Boris Yeltsin instructed the Government to exert all efforts and properly organise the harvest. He proposed to compensate from the budget for the spendings sustained by farmers because of higher fuel prices. The president said all measures should be taken to fulfill the task, up to "the use of foreign help for harvesting, for example from Mongolia and East European countries", evidently referring to the employment of workers from those countries.

Further on Yeltsin Meeting With 'Reform'

LD0406110992 Moscow Programma Radio Odin Network in Russian 0730 GMT 4 Jun 92

[Text] Russian deputies have approved a reshuffle of government cadres. They believe that a serious political force which the head of the Russian state can rely on should be built up. At a meeting in the Kremlin with the Reform parliamentary group, Boris Yeltsin noted that there are certain signs of a political stabilization. He stressed, however, that the land issue was still as crucial as ever. President Yeltsin noted that he will contribute in every way to settling this problem in the nearest future.

Shumeyko Interviewed on New Role, Plans

OW0506030392 Moscow INTERFAX in English 0040 GMT 5 Jun 92

[Prepared by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin; edited by Boris Grishchenko; from "Presidential Bulletin"; transmitted via KYODO]

[Text] Vladimir Shumeyko, earlier the first deputy speaker of the Russian parliament, has been appointed the first deputy chairman of the cabinet under a presidential decree. He has granted an interview to IF's [INTERFAX] Vitaliy Jibuti.

On his first steps in his new capacity Mr. Shumeyko said that he will always remain a plenipotentiary representative of the parliament in the government and hopes to find a common language with parliamentary committees on controversial economic problems, including the introduction of a tax system satisfactory to everyone. He implied primarily a radical reduction of the value added tax. He hopes that his colleagues in the cabinet will agree with the reasonable plan worked out by the parliamentary tax and price committee.

Mr. Shumeyko believes that the first vice-premier Yegor Gaydar will remain responsible for financial and economic matters. In this context he said that: "The actual economy is changing under the effect of the theoretical program of transition to a market economy and it is natural that Gaydar's team though remaining in charge of strategy will be freed from immediate economic management". Besides, such an approach to the distribution of duties gives a chance to improve the theory of reforms. In any case Mr. Shumeyko does not intend to substitute for or pressure Gaydar.

The new government official does not share the view that the confrontation between the legislative and executive branches has deepened. In this connection he said that Yeltsin's declarations about the uselessness of keeping the Congress are not directed against parliamentary bodies or deputies as such. "The president spoke of the Congress as an ineffective, outdated form of work".

Mr. Shumeyko added that today everyone hopes for a new constitution that would rid the country of a two-tier legislative system which does not mean the immediate removal of working deputies from power. A compromise should be sought between the ideas of reforms of the cabinet and deputies.

According to Mr. Shumeyko, his inclusion in the cabinet was no surprise for the leadership of the parliament. He was sorry that he will have to give up his deputy's mandate and described as a drawback that after his resignation from the post of deputy speaker for economic reforms the seat will remain vacant for an indefinite period of time because only the Congress can elect a new deputy speaker. Still he hopes to retain close and constructive contacts with former colleagues in parliament.

Volskiy Denies 'Imminent Appointment' as Premier

PM0406205792 Moscow RABOCHAYA TRIBUNA in Russian 5 Jun 92 p 1

["Quote of the Day": "Volskiy Denies Rumors of His Imminent Appointment as Premier"]

[Text] In an exclusive interview with an INTERFAX correspondent, Arkadiy Volskiy, chairman of the Industrialists' and Businessmen's Union, categorically denies information that has appeared in the press about his imminent appointment as government chairman. "No one has made me the offer, and no one in a position of authority has even talked with me about this topic," he stressed.

"Everyone should know his own place and like it," Arkadiy Volskiy said. "I like my work and it is a pleasure to do it 14 hours a day. And I am sure I can do more good here, in the Industrialists' Union."

Ulyukayev on Trade Ministry, Personnel Changes

OW0506024892 Moscow INTERFAX in English 0039 GMT 5 Jun 92

[Prepared by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin; edited by Boris Grishchenko; from "Presidential Bulletin"; transmitted via KYODO]

[Text] It was proposed at Thursday's [4 June] government meeting that a federal contractual system would replace the Trade Ministry. As the Government's Economic Adviser Aleksey Ulyukayev has revealed at a briefing, the President welcomed the proposal since keeping the Trade Ministry "is becoming unreasonable". No concrete deadline was set since that issue, in Mr. Ulyukayev's words, "requires much scrutiny".

Answering questions from an "IF" [INTERFAX] correspondent, Mr. Ulyukayev disclosed that Russia's Gold Reserve was now as it had been at the end of last year.

IF note: On January 16th, 1992, President Yeltsin publicly announced that Russia's Gold Reserve amounted to 230 tons [as received].

These are the means we possess, the government has no extra funds, Mr. Ulyukayev stressed and added that he was unprepared to answer how many gold coins would be minted but remarked that "this would take a very insignificant amount of gold".

Mr. Ulyukayev then revealed that he was at odds with Mr. Shumeyko over his privatization program. "My disagreement rests least of all on the content of Mr. Shumeyko's program. I assume that at the moment we can't afford revising the workable programs, the Adviser underlined. Mr. Ulyukayev described as proper the first Vice Premier Gaydar's personal relationships with the new Vice Premiers. "I cannot imagine "an arm twisting situation", nor do I believe that the new assistants will kill reforms through ammendment". [quotation marks as received] He announced that Mr. Shumeyko would be in charge of the national economy in terms of strategy. "Industry, Transport, and Construction in their entirety rather than in the narrow sense". [sentence as received]

Mr. Ulyukayev made it clear that Mr. Gaydar would stay Number One Prime Minister among First Vice-Premiers. He also emphasized that the situation with two first assistants in the Government "couldn't last long".

Concerning further government changes, Mr. Ulyukayev said that a Labour and Employment Minister would be appointed and there might be changes in the agrarian sector.

Mr. Ulyukayev called resignation by the Central Bank Chairman Matyukhin "a bit untimely". All sorts of changes and upheavals, regardless of who is involved, are, in Mr. Ulyukayev's view, "improper in the course of reforms".

Mr. Ulyukayev then said that the former Fuel and Energy Minister Vladimir Lopukhin had nothing to worry about. "He will have less trouble and a bit more time to spare. As far as I know his plans, he may be in charge of an oil corporation now in the making".

Gaydar Not 'Handing Over' Team

LD0406175692 Moscow Radio Rossii Network in Russian 1600 GMT 4 Jun 92

[Text] Personnel changes in the composition of the Russian Government will not give rise to any substantial changes in the strategy of its actions. This was declared at a briefing today by government economic adviser Aleksey Ulyukayev. According to ITAR-TASS, he expressed disagreement with the view that Yegor Gaydar was handing over his team. It was also wrong to think that conservatives had entered the government. The members of the cabinet were different people, but they subscribe with their views to the reform policy, Aleksey Ulyukayev emphasized.

Gaydar Comments on 'Disposition of Forces'

LD0406204392 Moscow Russian Television Network in Russian 1600 GMT 4 Jun 92

[Interview with Russian Vice Premier Yegor Gaydar by unidentified correspondent on 4 June in Moscow: from the "Vesti" newscast—recorded]

[Excerpt] [Passage omitted] [Correspondent] An opinion is often being voiced these days that Gaydar's team, the reform team, is practically ceasing to exist, being squeezed out by the industrial lobby.

[Gaydar] I think to a certain extent our Government reflects the realities, the disposition of forces, and that real multi-party system, which is in fact what society is.

[Correspondent] But the united team does not exist anymore?

[Gaydar] To a larger extent it is now taking the form of a union.

Burbulis Denies Opposition to Gaydar's Team

LD0306194992 Moscow ITAR-TASS in English 1818 GMT 3 Jun 92

[By ITAR-TASS correspondent Ivan Ivanov]

[Text] Moscow June 3 TASS—The state secretary under the president of the Russian Federation, Gennadiy Burbulis, today denied reports, appearing in certain Russian mass information media, alleging that appointments made to the posts of deputies of the head of the government, created recently by President Boris Yeltsin, in any way meant his distrust in Yegor Gaydar's "team" and there may be a talk of "winding up" reforms in Russia.

"The normal process of the cabinet formation is underway in accordance with that practical stage and those tasks which we are solving," Gennadiy Burbulis told ITAR-TASS.

President Boris Yeltsin through his decrees issued over the period of preceding few weeks appointed Georgiy Khizha, Viktor Chernomyrdin, Anatoliy Chubays as vice-premiers, and Vladimir Shumeyko as the first vice premier on Tuesday [2 June]. As of today the number of deputies of the head of the executive power of Russia has risen to eight. As before Yegor Gaydar still continues to be the first vice-premier of the cabinet, and Aleksandr Shokhin, Mikhail Poltoranin and Valeriy Makharadze—deputies of the head of the government.

Privatization Needs 'Millions of Owners'

LD0406024792 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 2000 GMT 2 Jun 92

[Text] The ship of privatization, launched last December, when the main guidelines of the privatization program were endorsed by a decree of the Russian president and by a decision of the Supreme Soviet Presidium, was about to hoist its sails when it smashed into the parliamentary reefs. The Committee for the Management of State Property did not, apparently, want this to happen. Anatoliy Chubays, deputy head of the government, did not conceal from journalists at a news conference his disappointment and concern. According to him, the experience accumulated since the beginning of the year had enabled substantial changes to be made to the privatization program, specifically, extending the rights of labor collectives, which will be able to purchase majority holdings of shares. However, even this seemed too little to the intractable deputies. They demanded that all the property of enterprises should be handed over to the workforce, and that other citizens should be treated in accordance with the principle: Let the unlucky one weep, cursing his fate.

In the view of those at the news conference, all that looks like Lenin's beloved dictatorship of the proletariat—discrimination by profession. [video sows bust of Lenin behind Chubays]

[Begin Chubays recording] We do not need hundreds of millionaires, but millions of owners. The scheme proposed to us essentially means that exactly half the population of our country will be completely excluded from the privatization process. [end recording]

Chubays Unhappy With Parliamentary Debate

PM0306144992 Moscow KOMSOMOLSKAYA PRAVDA in Russian 3 Jun 92 p 1

[Report by S. Bobrovskiy: "Chubays Wants To Give Plants to the People, But Deputies to Workers"]

[Text] Anatoliy Chubays, who has just been appointed vice premier, declared at a news conference at the Goskomimushchestvo [State Committee for the Management of State Property] yesterday that he is concerned at the progress of the discussion in parliament of the government privatization program and amendments to the Law on Privatization.

The documents were approved on the first reading back at the beginning of April, but the program's authors have now unexpectedly encountered a tough stance on the part of the Industry Committee and the Workers Union.

According to Chubays, the very essence of the proposed amendments is unacceptable, because they presuppose the complete buying back of state enterprises by labor collectives and, in this case, half of the population will be left outside privatization.

Goskomimushchestvo leaders have already spoken repeatedly of the fundamental impossibility of writing a privatization program which would suit everyone. The only way is to achieve a balance of the interests of the various participants in privatization. Economic literacy alone is not enough for this; outstanding political wisdom is also needed. It will very soon be revealed whether or not the authors of the government privatization program have sufficient political wisdom.

Shokhin Speculates on Bank Chairman Position

OW0306165392 Moscow INTERFAX in English 1612 GMT 3 Jun 92

[Transmitted via KYODO]

[Text] Russian Vice Prime Minister Aleksandr Shokhin feels that a likely candidate for the post of Chairman of the Central Bank of Russia is the former Finance Minister Boris Fyodorov.

In an exclusive interview with "IF" [INTERFAX] the Vice Prime Minister said that when the topic turned to the direction of the Central Bank, President Boris Yeltsin "mentioned Fyodorov's name Fyodorov is currently working in London, but Shokhin said: "In spite of material wealth he is ready to serve his homeland if an offer is made".

Shokhin said other possible candidates for the post are former Minister of Finance of the Soviet Union Boris Orlov and former Chairman of the State Bank of the Soviet Union Victor Geraschenko.

The Vice Prime Minister said Fyodorov has many plusses but "the Parliament feels he has one small minus, he left the Russian Finance Ministry showing his disagreement with the budget policy of the Parliament".

Shokhin said the government is discussing the possibility of the management of "several functions of the bank". At the same time he stressed that the government does not wish to manage the credit policy or grant budget credits. He also doubts that "the bank should be run by the government." Shokhin said he advises that the governments idea on double staff control by the Russian President and the Parliament should be implemented. He feels that this system would allow the Central Bank to maintain autonomy and will allow the government to influence its policy if it strays from the course of reform.

If the Russian Parliament will not compromise and insists that the Central Bank be under its control, Shokhin feels that the emission and Gosnak must be given back. "Let them take it all and be responsible for all labor demands, cash flow problems, participate in strike negotiations, and take care of the rest of the problems concerning the bank and the emission", the Vice Prime Minister said.

Shokhin Fields Questions on Unemployment

LD0306014992

[Editorial Report] Moscow Russian Television Network in Russian at 1755 GMT on 2 June carries the regularly scheduled 'Without Retouching' program. This edition of the program is a 60-minute interview with Aleksandr Nikolayevich Shokhin, Russian Federation deputy prime minister and minister of labor and employment of the population. Shokhin takes questions from the program's hosts, Sergey Torchinskiy and Tatyana Krasnova, and a group of journalists.

Shokhin, introduced by Torchinskiy, announces he will forego the customary preliminary remarks and go straight to questions. The first question comes from a TRUD correspondent, who notes that since reform began practically 50 million Russian residents have fallen below the physiological survival mark. He asks if there is a limit to reforms beyond which the government will not go?

Shokhin recalls that after the Sixth Congress of People's Deputies, the Labor Ministry worked out a minimum budget. In February it was 650 rubles per capita. In March, it was 811 rubles. These figures were used to develop the minimum wages endorsed by the Supreme Soviet. Shokhin notes that calculations based on official inflation reports reflect the fact that the reports are usually one month late. The mechanisms of compensation payments, of revising wages and salaries, also take time. As a result, much lags behind. The task, he says, is to reduce the period between the introduction of higher prices and the payment of higher wages. The indexation of pensions should be done on a monthly basis.

Shokhin adds that the second key limitation on reform, employment, must be kept at an acceptable level. Macroeconomic stabilization and the success of reform depend upon these social factors.

A MEGAPOLIS EKSPRESS correspondent suggests that the appointments of industrial men Shumeyko, Khizha and Chernomyrdin to top government posts clearly indicates the beginning of the transformation of the cabinet from a cabinet of theoreticians to a cabinet of economic managers, as promised by Yeltsin at the Sixth Congress. What is more likely, he asks: Will the Gaydar team drift toward the demands of the directors' corpus, or could a stalemate situation develop, with the incompatibility of views leading to the resignation of the government?

Shokhin answers by pointing out that Anatoliy Chubays, a theoretician, has also received a senior appointment a deputy prime minister. He says more appointments are possible, which could shift the arrangement of forces in the cabinet. He adds that the candidacies of Shumeyko and Khizha were discussed long before the Sixth Congress. The reforming principle of the government will not be weakened. Overcoming industrial or agrarian pressure is a very complicated matter and cannot be resolved simply. The presence of the directors' and agricultural lobbies had been identified earlier as a problem for the reform team. Now the most difficult time has come for reform, Shokhin says, when it will be easy to take a wrong step: "I hope a stalemate situation will not develop. But we must be more active and consider the interests of different groups, including industrial groups, in parliament and in the government, in order to make more balanced decisions," he concludes.

Next, host Krasnova cites an opinion poll report that 33 percent of Muscovites are willing to strike over the dropping standard of living; medical workers and teachers are the most disgruntled. Picking up on Krasnova's point, a MEDITSINSKAYA GAZETA correspondent comments on the assumption that sectors financed from the budget, such as the health service, need help, and says that things will improve only when the health service is treated as an industry in its own right, producing the commodity known as health. She asks how the government plans to tackle the problem in its program due for completion by 1 July. Shokhin agrees that the health service needs the chance to perform its proper function. He says there is no proper financial mechanism for the sector. He describes the elaboration of these mechanisms as a key element of social policy, so budget-financed sectors do not have to seek gifts, but can get on with their job.

UCHITELSKAYA GAZETA correspondent Irina Dimova asks Shokhin about reform in education. She says decision N-312, the last one adopted in May, is very important. Why has the government failed to work out specific measures to implement that decision? Does he think the government's lethargy in this area is to blame for teachers' strikes?

Shokhin says teachers have a legal right to strike. Their strikes do not necessarily mean that the government has failed. He admits measures could have been taken sooner. Shokhin says he opposes directive N-1 on teaching. He argues that teacher salaries should be increased indirectly through a system of enhanced wages. This has only been partially implemented because of strikes. The government needs the support of trade unions and the Supreme Soviet, Shokhin says, to be able to introduce these salary increases beginning in September.

A LITERATURNAYA GAZETA raises the issue of refugees and forced migrants. She asks when resettlers will be able to obtain loans to build homes and what is being done to encourage foreign help to deal with the problem, because Russia cannot cope alone. Shokhin acknowledges the seriousness of the refugee problem and summarizes current efforts to handle it, domestically and internationally.

The next questioner, Grigoriy Nekhoroshev of the BBC's Russian Service, refers to the government's walk-out at the recent Congress of People's Deputies: "Imranovich Khasbulatov recently said the congress was a show with two directors, Yeltsin and Khasbulatov. You took an active part in the show, or the congress. You walked out under the leadership of Gennadiy Burbulis. Do you feel that because you are not a politician you found yourself drawn into a big show and that this show is hindering your work in the posts of minister and deputy prime minister? Or is everything really happening as it appears on the outside?"

In his reply, Shokhin says: "At the congress, the government, which, as some people sometimes say, was hired as a government of professionals, of boys from Chicago, proved itself as a political team. Whether it played well or badly—I would not even use the word play here—it made itself known as a political team. Experienced masters of the political struggle like Ruslan Imranovich Khasbulatov were compelled to take it into account. They acted as equal partners. As to whether we were puppets in that game, where there were just two directors, I do not think we were, because the upheavals at the congress which we were able to observe—not just in the hall, but behind the scenes—show that all sides were fretting and seeking options for solutions. It was hardly a simple combination."

Continuing on the subject of the politicization of the government, he notes, without giving names, that some members are now becoming involved in political parties and movements.

Yelena Tokareva from ROSSIYSKAYA GAZETA asks Shokhin if he still retains his ministerial post. Shokhin clarifies the situation: He still holds the post of Minister of Labor and Employment, despite rumors to the contrary circulating since late March. He says it is not a comfortable post: "It is not easy to find a qualified person for this post. Several candidates have been selected. The president has promised to examine the issue in the near future. As soon as this takes place, I will vacate the post and hand back the portfolio. I promise, however, to keep these problems on my mind and take an active part in developing social and labor policy in the government." Pressed on the subject, Shokhin admits it is difficult for him to combine the duties of deputy prime minister and minister.

Radio Liberty's Moscow Bureau correspondent Dmitriy Volchek asks: "Aleksandr Nikolayevich, everyone knows that in the Kremlin there is, as ever, a struggle for power, the struggle once compared by Winston Churchill to a skirmish of bulldogs under a a rug—one hears a noise and then comes across the dogs' dead bodies. Your colleague Sergey Shakhray said recently that he resigned as head of the state judicial directorate because he could not work in these conditions. He referred specifically to Yuriy Petrov, head of the president's administration, as someone with whom he could not work. I want to ask you about your attitude to the activities of the presidential administration and if you are on good terms with Petrov. My next question is directly connected with my first question, and I think we all understand why: What is your attitude about the fact that the president's administration and other power structures have inherited many of the privileges of the former CPSU top nomenclature, not all of them, of course."

In his response, Shokhin say: "It is difficult to speak about privileges when a new type of rich person is appearing, because the criteria for privileges have changed. The privileges of the Central Committee's and Council of Minister's nomenclature are a thing of the past, no doubt. Of course, privileges do exist. There are privileges in health care. Dachas are given as perks. There is no point in hiding this. Since I have not been to a doctor for very many years, for better or worse, I think my main privilege is that my children can spend their summer holidays at the dacha in Arkhangelsk.

"As to the first part of your question on relations between the presidential administration, the government apparatus and the government itself—admittedly, some are on good terms and others are on not so good terms. The thing is that, if you have noticed, the actual structures are constantly in a process of transformation." Shokhin adds: "Purely organizational frictions inevitably emerge while deciding what must be done with the law department or with the general department, and above all, of course, with the economic department, the department connected with privileges, incidentally.

"Still, this is probably not a very important issue. You have spoken of the fight of the bulldogs. Of course, that is a natural process. It is a process of struggle to influence the president, let us put this way. Ruslan Imranovich Khasbulatov believes that of all people he is the one who enjoys the best relations with the president. On the other hand, Yuriy Vladimirovich Petrov probably has the right to believe the same in relation to himself, because he has been working with Yeltsin for many years. The actual struggle for access to the president and for involvement in influencing the decision process is no doubt what you call political struggle. In reality the main political struggle—we have already touched on this issue—is increasingly shifting onto another plane, into the sphere of forming broader socio-political structures for the support of the government or of certain government groupings. I think we must pay greater attention to this aspect of the issue, rather than to traditional Kremlin intrigues. After all, if the government has broad support for reforms in the Kremlin and in the structures of various parties, then it will be easier for them to defend their position in the offices of the Kremlin."

RABOCHAYA TRIBUNA's Valeriy Kachurin asks: "Aleksandr Nikolayevich, do you trust Russia's State Committee for Statistics?"

In response, Shokhin says: "You know, Russia's Goskomstat is accountable to the Supreme Soviet. I believe our statistical service has deteriorated markedly during the past few months, compared to the Union Statistical Service and perhaps to the Russian Statistical Service, which existed at the time. I don't know if the resubordination of Goskomstat to the Supreme Soviet has had an effect on this. I don't know if we can be or need to be criticized for this, but on the whole we use the official statistics from Goskomstat, especially when we are accused of basing our calculations on some statistics which are unknown to the people: that prices rose 3.5 times there in January, there by 38 percent in February, there by 28 percent in March, etc., while in fact they rose in a quite different way.

"Faced with this, we must in a certain sense throw up our hands. We have much data. KOMMERSANT has its own statistics. We have our own, say, the Institute for Demand Conditions [Institut Konjunktury Sprosa], etc. I am now mainly talking of price and consumer market statistics. But, at the very outset of our activities we took a position. We will base our calculations on official statistics. If the Supreme Soviet believes that these statistics are not entirely commensurate with the situation, then it is necessary to analyze, together perhaps, how it should be done: if the methods are correct, if the sampling is accurate, etc."

Kachurin responds to Shokhin: "But, it was not by chance that I asked this question. Preparing for this meeting, I again glanced at the Goskomstat report for the first quarter. I was simply horrified. It contains a catastrophic figure, a production slump of 13.5 percent. To sum it up, production will slump by 25 percent during two years of reform. I am interested in the following question: How do you intend—economics is not my strong point, but I am trying to understand—how do you intend to stabilize the financial situation when production is effectively contracting?"

Shokhin answers: "In fact, production is contracting perhaps at a slower pace compared to the scale of the financial crisis we all know under the name of crisis payments. Now, this figure is creeping up to 2 trillion and in the past it has started growing at a galloping rate. In many respects it has started growing at this pace because, in my view, many industrialists, entire industries, have started believing it possible to start life all over again. One must exert enough pressure on the government by such astronomical figures of nonpayments and then mutual offsetting of payments is inevitable and starting life all over again is inevitable, so they say. In a certain sense, we will perhaps have to, in a certain sense, partially agree to this, because, by way of self-criticism I will observe that the government did not envisage in good time the appropriate mechanisms, for example, the transition from the present mechanism of payments, when goods are dispatched together with an invoice. No one is interested in whether or not the buyer is able to pay. So, nonpayments. Another mechanism is needed: prepayment or finding out through other channels if the potential buyer is able to pay, an investigation to that effect in an arbitrage court if he does not pay, etc. We should have laid the foundations for this mechanism back in January. We have been late with it. We intend to introduce the new payment mechanism, perhaps, in July."

Shokhin continues his response to RABOCHAYA TRIBUNA's Valeriy Kachurin: "There are lots of other causes which have led to these negative processes in the financial sphere, but at the same time there are no bankruptcies, however strange that may seem. Enterprises are turning out output that, for the most part, is not needed by the market economy. A classical example is the notorious Don 1,500 combine. It is clear that if real demands shaped the production program, this Rostov Rosselmash works would manufacture other combines. There are real possibilities now, if this crisis is resolved simply by writing off all debts, to prove that the prices which have been announced, prices which are crazy in many respects, to prove that these are the correct prices. They will be recognized by the state, by the government and by the Supreme Soviet, by any one. For this reason one of the most complicated tasks is to get through this period, to resolve this crisis of nonpayments without plunging the country into a hyperinflationary spiral, creating new mechanisms at the same time. For example, a mechanism for the bankruptcies of enterprises. This is a normal mechanism. But [illegible] am also afraid of the following: industrialists may exert additional pressure on the Supreme Soviet and the government, after which the crisis of nonpayments will be surgically eliminated and then they will knock down the law on bankruptcies. The signs of that are already there. Or some unexplainable complications will emerge with the introduction of the new mechanism of payments and then we'll return excactly to what we had in December of last year. For this reason I stress once more that now is the most difficult moment of reform. There is a very narrow corridor here, we cannot make mistakes. We should tread very carefully.

"As regards the statistics of the slump in production, strictly speaking, we forecast this in November, that there would be a slump. Apart from anything else, it would be better if it is a small one, of course. But, after all, the most important thing in a slump which is the result of financial improvement is that unviable enterprises cease to exist and strong ones build up production. Unfortunately, for the time being, this is not yet happening in our country—weak and superfluous enterprises coexist with potentially strong ones. For this reason, we still need to correct our structural policy. By the way, the sense of the second stage of reform mainly lies in tasks of restructuring. Limited investment and credit injections must go to industries that will pull up the entire economy, that is to say, to the points of growth, of future economic growth."

Torchinskiy returns to the subject of privileges and perquisites, asking Shokhin about priviliges enjoyed by members of the government. He asks Shokhin where he lives today. Shokhin replies that he has not moved since his appointment. He adds that he does not have a telephone supplied by the government. He suggests that members of the government living outside Moscow are queuing to obtain apartments.

Krasnova interrupts the questioning to present a brief biography of Shokhin. Shokhin reacts by commenting on his involvement in the government's football team. He says their team played the Moscow government's team on 2 May. Normally, he says, he plays football once or twice a week, including this morning. Krasnova asks if he is an aggressive player. Shokhin says his team has decided to allocate positions in different ways; he started deep in defense but decided to move over to the offense.

A MEGAPOLIS EKSPRES correspondent refers to the recent creation of a new party called the Russian

Renewal Alliance [Russkiy Soyuz Obnovleniya] which announced it was starting to form a shadow cabinet. He asks: "Does this new party have a common platform and a basis for a coalition with Grigoriy Yavlinskiy, his brain center and his epicentre?"

Shokhin answers: "It does, because this party, the Renewal Alliance, contains many healthy people, including Arkadiy Ivanovich Volskiy and Aleksandr Pavlovich Vladislavlev. I have had very regular contacts over many years with these people. I can say these are healthy people. Knowing both Grigoriy Alekseyevich's program and him personally, I can also say that they can find points of contact. It is a different matter whether in reality they will find them, allocating posts in the shadow cabinet, and, subsequently, as they hope, in the main cabinet."

A ROSSIYSKAYA GAZETA correspondent speaks about the lack of money to fulfil various programs. He asks why sanatoria or large houses or hotels are not simply sold. Shokhin explains that some of these sanatoria have already been turned into resources for social support of the population. It is hoped to run them on a commercial basis with profits providing general aid for pensioners and needy families. Two dozen such sanatoria already exist.

Krasnova cites a ROSSIYSKAYA GAZETA article on Shokhin's comment that a defender of the needy is necessary because he gives the impression that everything is going fine. Krasnova asks if everything is going well, or, in Yavlinskiy's words, is there a complete collapse. Shokhin says different members of the government provide different nuances, but he has not given the impression that everything is going well.

Torchinskiy follows up: "And is there light at the end of the tunnel?"

Shokhin concludes: "The light has been promised by the end of the year."

Shokhin's Social Security Philosophy Expressed

OW0206223492 Moscow INTERFAX in English
1915 GMT 2 Jun 92

[From the "Presidential Bulletin" feature: prepared by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin; edited by Boris Grishchenko; transmitted via KYODO]

[Text] Vice-Premier and Minister of Labor and Employment Aleksandr Shokhin, whom President Boris Yeltsin has recently put in charge of Russia's foreign economic relations, has given an exclusive interview to our correspondent Kirill Dibrov. Here is the part of it which deals with social security.

Corr. [Correspondent]: It has been decided to dismiss you from the post of Labor and Employment Minister. Are there any candidates for the post?

Shokhin: I've long been looking for candidates. There are many, in fact, but this is a job which requires more than specialist knowledge. You should be able to talk to workers, and not only in your office. You often have to address street rallies and speak to strikers. This is obviously the most difficult job in the government. It's our ministry that always gets the biggest drubbing.

Corr.: Will you be glad to leave the post then?

Shokhin: It would be nice, of course, to leave the battlefield and hide in a trench. Although there are no "trenches" in the Russian government. It's very difficult, actually, to find somebody fitting the post. Yegor Gaydar seems to be the only person able to take proper care of social security matters.

But he"s got too much on his plate already. So I don't know where we'll end up. I'm just afraid somebody will get the job who'll do more harm than good.

Corr.: At the moment the government is revising the incentive system for establishments financed from the budget. What are the changes going to be?

Shokhin: The government has decided to raise wages in such establishments by a factor of 1.8, but the directive instructs us to draft a more efficient system of surpluses for the health service and education. We've done that, rather hastily, but we've done what we wanted to do - we've changed the mechanism for the stimulation of better performance. We've simply decided that a better worker should have his own salary raised by so many percent.

We're still working on it. We're going to revise the whole list of surpluses, possibly getting rid of some of the items or adding new ones. We hope that in the third quarter we'll be able to introduce new general principles for the sphere.

Corr.: Yegor Gaydar said recently that we have too many educational establishments which provide poor training. As far as medicine is concerned, he said we take care of everybody whereas we should only take care of the poor, and the rich will take care of themselves. What do you think of this?

Shokhin: The state cannot take care of the entire population. It's the main point in the reform that those who able able to look after themselves should do so, and that the state should help those who cannot take care of themselves for reasons which are beyond their control.

I have proposed a new system for assistance to the needy, namely I suggest that such assistance be based on certain criteria, for example it should be given to all families having little children. The funds allocated for this should be distributed among regions, and the local authorites should actually give them to those who need them.

Higher education is another case in point. We pay grants to everybody but perhaps somebody should be given a grant, somebody else should be given a credit, and there should be those who pay for their education too.

There's a lot to be done in this way. You shouldn't simply expect the government to give you something. You should look for better ways to spend your money. You should use your enterprise to ensure your own security. There's something you should be able to get from the investment, pension, or insurance funds, and something you should get by your own efforts.

Background of New Vice Premier Saltykov Given

LD0406204192 Moscow ITAR-TASS in English 1912 GMT 4 Jun 92

[Text] Moscow June 4 TASS—Boris Saltykov was appointed Deputy Prime Minister of the Russian Federation by Russian President Boris Yeltsin's decree.

Saltykov was born in 1940, graduated from the Moscow Physico-Technical Institute and finished the post-graduate course at the same institute. He is engineer-physicist by education. He is Master of Science (economy).

In 1991, Saltykov became deputy director for scientific work at the USSR Academy of Sciences' analytical centre for problems of the socio-economic and scientific-technical development. In the same year, he was appointed as Minister of Science, higher school and technical policy of the Russian Federation.

Removal of 'Dirt' in Security Ministry Praised

PM0406155092 Moscow ROSSIYSKAYA GAZETA in Russian 5 Jun 92 First Edition p 2

[Interview with former Russian Security Minister Viktor Valentinovich Ivanenko by Andrey Zhdankin; place and date not given: "The Big Purge"—first three paragraphs are introduction]

[Text] As you know, Russian Security Minister V. Barannikov has drawn up the order for a group of high-ranking generals and officers in the top echelon of the ministry to be removed from their posts and immediately dismissed from the security organs. Among them is one of the present leaders of counterintelligence. INTERFAX has learned that this is Viktor Klishin [name as published], who formerly held the post of deputy chief of the USSR KGB Second Main Directorate.

The drawing up of the order is the result of the work of a commission set up on Minister V. Barannikov's initiative. Some of the materials from the official investigation will probably be handed over to the prosecutor's office.

We tried to find out more details. The Security Ministry Public Relations Center refused to help us, so we sought comments from V. Barannikov's predecessor in the post, Viktor Valentinovich Ivanenko. He was discharged from the Security Ministry 22 May in connection with manpower cuts, and is no longer an interested party—he is a pensioner.

[Zhdankin] How do you assess this act by the ministry's current leadership? Could it be a case of settling scores or getting rid of difficult staffers?

[Ivanenko] It is, so to speak, a necessity, and merits only approval. It is an effort to clear out the dirt, and far more than that had accumulated.

[Zhdankin] Who else, according to your information, is among those dismissed?

[Ivanenko] Martynov, chief of the housing registration and distribution section, and Doroshenko, assistant to First Deputy Minister A. Oleynikov. But I don't think the list ends with these people.

Barannikov, unlike Bakatin, is doing a great deal to protect the security organs from falling apart and to make them work. I say that absolutely sincerely. He has taken under his protection the professional section, which should be beneficial to society, and he is trying to create proper conditions for it and protect it against false accusations and indiscriminate criticism. The present minister's actions indicate that, having proclaimed a campaign against corruption, he is beginning at home. He therefore deserves support. But it must be said that so far they are only scraping the surface. Over the decades, far more dirt than that had accumulated.

[Zhdankin] Why did you not do it when you held the post of leader of the Russian organs?

[Ivanenko] The answer is simple. Because the entire system of economic support, which was the most tainted by corruption, was subordinate to the Union structures, and until my very last days in the post of leader they would not hand it over to us. I had begun to set up an economic directorate: I had chosen new people, and so forth. And that, incidentally, is one reason why the old structure started to offer energetic opposition and tried to avoid submitting to this order. It was a means of survival: Make us out to be upstarts, and sweep us aside. But of course, that does not apply to the main bulk of operational personnel. The only disturbing thing is that the presentation of this information is too high-flown and politically expedient. The process whereby the organs purge themselves should take place without fuss.

Official Interviewed on Security Ministry Scandal

OW0506040892 Moscow Central Television First Program and Orbita Networks in Russian 1845 GMT 2 Jun 92

[Interview with Aleksandr Ivanovich Gurov, chief of public relations in the Ministry of Security, by Petr Orlov in Moscow; from the "Utro" program—live]

[Text] [Orlov] We have just received a report from ITAR-TASS that the Russian security minister has prepared a resolution or decree—we do not know the exact configuration yet—on measures to be taken against a whole range of high-ranking employees in his ministry. We have with us Aleksandr Ivanovich Gurov, chief of public relations in the Russian Ministry of Security. Would you explain to us what has happened? After all, the documents we have just received indicate that we are talking about crimes of avarice.

[Gurov] You have taken me by surprise, but glasnost obliges. Yes, this is true. An expanded meeting was held today, attended by a group of deputies who oversee the Ministry of Security in accordance with the Supreme Soviet plan. This group serves as a kind of a restraint, which is being exercised nowadays, on the activities of the special services. Before that, there was an investigation of reports that several generals and high-ranking officers had abused their position for profit. I take full responsibility for this phrasing; let them sue me if my wording is wrong. What did it amount to? It involved schemes involving apartments or, simply put, misappropriation of apartments allocated for official use only, not for use by officials' relatives.

[Orlov] In other words, these were the so-called secret rendezvous apartments?

[Gurov] You might say so. Today, the status of secret rendezvous apartments are defined by law. Attempts to misappropriate refrigerators, carpets, and the like were also uncovered. These are scandalous facts. After a thorough investigation that confirmed the abuses, the minister promptly took effective measures.

Operative measures have been taken today. They will naturally be outlined to personnel in greater detail. The chain of crime seems to lead to other fields, too. Minister Barannikov will see this case through to its logical end. This is the right thing to do.

[Orlov] How many people are we talking about? Will you tell us the number of people against whom some measures will be taken?

[Gurov] There are presently three generals and several high-ranking officers. There might be several more. It does not really matter if it is 20 or 10.

[Orlov] According to information we have received, most or all of them are former USSR KGB employees who moved to the Russian Ministry of Security. Is this true?

[Gurov] Former? They worked and are still working. You mean employees who moved to Russia?

[Orlov] Yes.

[Gurov] Yes, then that is absolutely correct. But I think that there were also several people who remained in the MSB [Inter-Republic Security Service]. They have not yet divided it up among themselves. But this is not the point.

[Orlov] Could you give us their names?

[Gurov] Regrettably, I can reveal no names yet; I am not authorized. I can only say that they will not get off with just a quiet discharge.

[Orlov] They will be stripped of their rank?

[Gurov] Appropriate measures will certainly be taken, and handing the case over to the procurator's office is not out of the question. There is one thing that I like about this. When this action was being evaluated, Barannikov was presented with a document recommending punishing them for immodesty, to which Barannikov responded with typical humor: I know of no law punishing immodesty. There is forgery and there is theft, so let us call a spade a spade. Immodesty! They called misappropriating an apartment immodest.

[Orlov] It might be said that this is a grandiose scandal, because nothing like this has been recently revealed from behind the walls of the Ministry of Security or its predecessors. So what does it involve? New lords, new laws? Or is there some political background?

[Gurov] There is no political background at all. It is just a matter of common human decency. If you are a big boss, you should not move into a Central Committee apartment, have things repaired at the ministry expense, and so on. It is just a matter of ordinary decency and integrity. The expression goes: A warm heart and clean hands; the hands must stay clean. That is all there is to it.

[Orlov] Do you know of any facts that would indicate that these people have attempted to obstruct the investigation? After all, they are high-ranking.

[Gurov] Things have not reached the level of an investigation yet; it is still only an inquiry. No one can pressure the minister. Naturally, there were certain attempts at justification, such as the immodesty charge, which was an attempt to mislead. But I would not exclude the possibility that Barannikov has more enemies now. I assume that he does.

[Gurov] There might be some countermeasures. What kind of measures? Well, we are the security service, so we should....

[Orlov, interrupting] Has anyone returned a refrigerator, say, or a car?

[Gurov] They did.

[Orlov] They will have to return it all?

[Gurov] Yes, of course.

[Orlov] This has been the first commentary by Aleksandr Ivanovich Gurov on the decision by the Russian minister of security to take steps aginst high-ranking ministry employees caught committing crimes of avarice, as reported by ITAR-TASS. Thank you.

[Gurov] You are welcome.

Deputy Comments on 'Fruitful' Chechen Talks

PM0506075592 Moscow KOMSOMOLSKAYA PRAVDA in Russian 4 Jun 92 p 1

[Unattributed report: "...But on the Other Hand"]

[Text] We asked Viktor Zhigulin, deputy chairman of the Russian Federation Supreme Soviet Soviet of the Republic and head of the Russian delegation of experts at the meeting in Moscow, to comment on the interview with Dzhokhar Dudayev.

"Our Chechen colleagues adopted an equally categorical position, similar to President Dudayev's statements, at the very start of the meeting, Indeed, for them the main question was the acquisition of full state independence, after which they were prepared to resolve all other issues. This priority was reflected in their version of a draft treaty on the foundations of interstate relations, in which Russia and Checheniya would recognize each other as sovereign states and subjects of international law. Moreover, the Chechen group of experts demanded that we recognize Checheniya's independence first. Naturally, the Russian delegation—like the Chechen delegation, incidentally—did not have the authority to do this.

"For some reason Groznyy has decided that the meeting was unsuccessful. But I believe that we did some very fruitful work. The most important result is that we got things moving in relations between the republics, and a real chance has emerged to reach agreement. Around a dozen points in our versions of an interrepublic treaty coincided—what is that if not an example of mutual understanding?

"We do not deny the right of every people to state sovereignty, and we are prepared to compromise. I believe that prior to the adoption of a political declaration on mutual relations between the sides, the current state between Russia and Checheniya can be called a transitional stage. I will uphold my view at the republic's Supreme Soviet. Only we must not rush things."

Yavlinskiy Examines Economic Reforms' Effects

PM2005115392 Moscow MOSCOW NEWS FAX DIGEST in English 19 May 92 p 1

[First part of Grigoriy Yavlinskiy article under the "Analysis" rubric: "Economy—Inflation. Has the Government Reached the Objectives It Set Itself?"]

[Text] From the outset Russia's political leadership failed to make clearcut commitments in any sphere of social life including the economy, let alone the general promise given by the President of Russia to stabilize the latter by autumn 1992.

Nevertheless the statements by government leaders, and above all by Yegor Gaydar, clearly designated the objectives it set for the initial period of reforms. They boiled down to, first, liberalization of the economy (commodity markets, currency regulation, foreign economic activities) and, second, financial stabilization consisting of abolition of the state budget deficit, a rigid restriction of new credits to enterprises, and the stabilization of the exchange rate of the rouble. A declaration was made of intentions to carry out institutional reforms: the privatization of state-owned property, the implementation of land reform, and development of the market infrastructures.

What are the results?

Liberalization of the Economy

The advance registered in this field has been the most markedly pronounced—centralized control over the prices of the overwhelming majority of goods and services has been lifted, and nearly all restrictions on the growth of incomes in production sectors and on commercial-brokerage activities have been cancelled. Against the background of the manifold price hike there has been a relative boom on both the consumer market and the market of industrial-technical products. Private retail trade became more active.

However, a number of signs indicate that the "liberalization of price formation" has turned into a decentralization of control over prices and the distribution of commodities.

First, in retail trade the prices are fixed as a rule not by commercial enterprises themselves, but by different "higher organizations". In early April a mere 21 per cent of shops became juridical persons in Russia, and only 1,200 commercial enterprises were privatized.

Second, the state has kept alive the numerous restrictions on the rights of enterprises to independently choose the consumers of their products and to fix prices.

Lastly, some resolutions of the government and decrees of the President have hindered liberalization of the markets of several commodities—cars, paper, etc. Resolution No. 43 of the government of the Russian Federation dated January 24, 1992; Decree No. 164 of the President of the Russian Federation dates February 20, 1992.

Third, the isolated implementation of economic reform in Russia has sharply curtailed freedom of trade with enterprises in other republics.

Fourth, little headway has been made in changing the systems for advancing commodities from producers to final consumers. The overwhelming part of "street commodity circulation" consists of goods purchased above the normal price in state trade, not from producers. The large number of intermediaries results in prices being boosted on the wholesale market as well.

Neither has the government made much headway in liberalizing foreign economic activities.

The Foreign Debt

The elaboration of mechanisms governing the republics' legal inheritance of USSR foreign economic liabilities, which commenced in late 1991, has not been completed. Eight republics have signed the treaty on legal succession, but questions about the shares and specific mechanisms of the new states' participation in servicing the foreign debt have not been resolved.

By agreement between the republics and the governments of industrialized nations and the commercial credit banks, payments on the bulk of the debt have been postponed, yet the republics have pledged not to discontinue interest payment on this debt. On the other hand, neither Russia nor the other republics have honoured the commitments they assumed—either in common or individually. This has rendered relations with Western partners extremely unstable.

Numerous non-tariff limitations (quotas and licences) have been preserved in foreign trade. They not only set the stage for corruption among government officials, but also tend to hinder trade.

The policy of tariff restrictions on foreign economic activities is being pursued most inconsistently; the understated exchange rate must stimulate exports and restrict imports, yet the abolition of tariffs on imports stimulates the latter and thereby increases the outflow of foreign currency from the country. High export duty also reduces export revenues. It is not accidental that in January-March imports were 15 per cent higher than in the corresponding period of last year, whereas exports declined by 20 per cent. Russia's foreign trade balance has changed—in the first quarter of 1991 it was 1.5 billion dollars in credit, whereas on the results of the first quarter of this year the negative balance was as high as 2.5 billion US dollars.

Still more serious is the scope of the non-receipt by the budget of revenues from foreign economic activities—instead of the 228 billion roubles planned for the quarter they will add up to not more than 30 billion roubles. The reasons are simple—the practice of granting privileges to separate enterprises and local administrations in respect to paying export duty and the mandatory sale of part of their currency earnings by exporters has been preserved and even considerably extended. On the payment of export duties alone the aggregate sum of these privileges came to 309 billion roubles between November 1991 and March 1992. Moreover the currency owners' mistrust of our banking system (fuelled by bankruptcy of the Vnesheconombank) and poor currency control on the part of the state have aggravated the problem of the leakage of capitals abroad and the non-receipt of currency revenues in Russia. The two-month delay in their payment to the state which arose during the introduction of new custom duties also had its part to play.

The Exchange Rate Policy

Despite a certain liberalization of the currency market in the past few months—access for citizens and enterprises to this market has been eased owing to an extension in the number of exchange offices and the conduct of currency auctions twice a week—it has still remained deficient. The main reason is that the multiplicity of exchange rates has been preserved. On centralized import—5.4 roubles per dollar, the special market rate—140-160 roubles, although the free ready money rate for the population is somewhat higher. In effect this is a form of concealed subsidizing for enterprises.

Yavlinskiy Comments on Center's Analysis

PM0106101592 Moscow IZVESTIYA in Russian 21 May 92 Morning Edition p 2

[Report by Irina Demchenko: "Yavlinskiy Gives Unreassuring Diagnosis of Russia's State. Perhaps He Will Engage in Its Rehabilitation"]

[Text] The center for economic and political research (EPItsentr) under the leadership of G. Yavlinskiy has completed its first analytical report of the series "Economics and Politics in Russia." This work bears the eloquent title "Diagnosis. Spring 1992" and contains a detailed critical analysis of the first results of the economic reform which the Russian Government is implementing. It is published in full in the weekly MOSKOVSKIYE NOVOSTI No. 21.

The report substantiates the claim by G. Yavlinskiy in January this year that the Russian leaders' policy lacks substance and is of a chaotic, unconsidered nature that is destructive to the state and the economy. Not one of the aims of the reform designated by the government itself as being of priority importance has been achieved; worse—of themselves these aims and their consistency, that is the chosen course, is wrong, the report's authors believe. Stating their unconditional support for the political line toward creating a genuine democratic state with a genuine market economy and authority recognized in the world, they prove that the path chosen by the Russian leadership will not lead to the attainment of those results. Moreover, by its activity the government is itself giving rise to many exceptionally grave problems for the country, which it is then trying agonizingly and not too successfully to overcome.

As a result Russia has not only let slip the opportunities opened up after the defeat of the putsch, having resolved virtually none of the really important issues for itself and the state, but is also continuing to lose previously achieved positions in the international and CIS arena and is rent apart by internal problems. Its power structures and leaders enthusiastically simulate vigorous and constructive creative activity, the results of which are various declarations and documents which are binding for no one. Here the most modest results are made out to be a substantial success while fussing over diplomacy is made out to be practical politics and their predecessors' achievements are made out to be their own personal services.

In a talk with your IZVESTIYA correspondent, Grigoriy Yavlinskiy said that he believes that this is the last report for himself and his comrades devoted to an analysis of the situation and of missed opportunities. It is necessary as a point of departure for further work, as a foundation on whose basis a new policy will be elaborated and therefore it does not contain yet more systemized "constructive proposals" which, actually, have been set forth repeatedly by this team over the past two years. In Yavlinskiy's opinion, we have not the time nor the internal reserves left to enable us to conceal any longer, at least from ourselves, the fact that economic stabilization has failed, that the economy is on the verge of hyperinflation, that disintegration is intensifying drastically in politics, and that the people's dissatisfaction and despair are mounting.

G. Yavlinskiy stated his intention to begin work on a serious program document which, in his opinion, will become the basis for elaborating a new constructive policy with a consideration for the diagnosis given in the EPItsentr report. Here he has cited as being of what he regards as priority importance the questions of state building and problems of the army and security and interethnic and interstate relations.

'Irreversible' Changes in Reform Examined

LD0206015692

[Editorial Report] Moscow Radio Moscow World Service in English at 0810 GMT on 31 May, on the regularly scheduled 15-minute "Top Priority" program, carries an interview with economist Grigory Yavlinskiy, by correspondent Irina Tkachenko.

Referring to his publications listing government mistakes in implementing economic reform, Yavlinskiy, speaking in English, says he believes the economic priority is for irreversible changes in privatization, land reform and demonopolization of industry. Without these, real success in monetary policy cannot be expected. The monetary situation is now out of the government's control, he argues, because all republics are making independent decisions about the ruble. Disintegration inside Russia creates new problems. Monetary policy is hopeless without a framework for achieving the proper results, he says.

Although a recent opinion poll showed a majority of people do not support the government's economic reform plan, Yavlinskiy says there have been no disturbances and protests because the people are saying they will make their own government. The Moscow city government, for example, is trying to make decisions apart from those of the central government. Yavlinskiy recalls that Yeltsin has said the economy will stabilize by autumn or winter, but believes this is unlikely.

Russia is said to need a huge amount of foreign aid, but the country is making reforms for its own goals and vital interests. The most crucial thing is the people's understanding and moral support in this, Yavlinskiy concludes.

Gaydar Team's Policies Seen as Inflationary

PM0306143892 Moscow KOMSOMOLSKAYA PRAVDA in Russian 2 Jun 92 p 1

[Article by V. Prokhvatilov: "Life Will Get Worse, Life Will Get Harder: What Prompted Ye. Gaydar's Alarming Prophecies"]

[Text] The development of economic reform has reached a critical point. It can now be said unequivocally that no light can be seen at the end of the tunnel and long torments still lie ahead of us. The external manifestation of this crisis was yet another (though far from ordinary) deterioration in relations between the Russian Government and parliament. With unusual ease and almost without discussion, the Supreme Soviet postponed two legislative initiatives from the Gaydar team at once. First the draft law on bankruptcy was postponed, then the new version of the privatization program.

In order to get to the bottom of the political crisis, it is necessary to understand the causes of the crisis in the economy.

...The cash shortage is on everyone's lips at the moment. At first glance it is a purely technical problem. It will take the Goznak [Main Administration for Production of State Bank Notes, Coins, and Medals] factories nearly six months to organize production of the new bank notes. The government is accused of failing to take care of this before the liberalization of prices. Although it is worth recalling that it was the Supreme Soviet Presidium that banned the production of 5,000-ruble notes at the beginning of this year. It must be admitted, hand on heart, that both sides are to blame. Both the government and the parliament postponed the production of large bank notes almost to the last moment, believing that they were thereby holding back emissions. In the same way a novice cyclist, coming down a hill, brakes with his foot (believing it is safer), although he could apply the brakes and not wear out his shoes. In order to see why the government was unwilling (or unable) to use civilized methods of regulating the money supply, let us recall the circumstances in which the Gaydar team came to power.

The August putsch, it seemed at the time, undermined the unlimited power of the real masters of our economy—the body of directors.

The democrats decided to exploit the deep state of shock into which the captains of industry had fallen, in order to make a forced breakthrough into a market economy following IMF formulas. Only this version of reform ensured that they would keep the commanding heights.

That, incidentally, is the normal logic of victors. Any other options would either have required power-sharing with the economic managers, or would have taken a long time, during which the stunned monster might recover its senses.

Gaydar was aware of the difficulty of the task entrusted to him. Examining the reasons for the failure of the Yavlinskiy program, he wrote that the main role was played by "the gap between the politically acceptable and the economically expedient." Gaydar's reforms required even more political backing than Yavlinskiy's reforms, since they affected the interests of virtually all social groups. The reformers rejected social partnership, thereby embarking on a path of conflict in the development of reform.

In view of this, the tactics of selective appeasement of social grievances was adopted, tactics that poor old Pavlov had practiced. The government succeeded very quickly in rebuffing attacks from entrepreneurs who were displeased with harsh taxes, winning over the leaders of the business world with the help of exclusive privileges. With workers and employees, these tactics earned a "B," with a very big minus. The strike threat still hangs over us like the sword of Damocles. And with the body of directors, it did not work out at all. Had it not been for the division in the victors' camp, it would still have been possible to count on success. But as you know, the parliamentary leadership almost immediately went into opposition to Gaydar's team.

The government set the goal of making enterprises sell their own output.

Anyone who produces and sells his own goods survives. Anyone who fails to do this, goes bankrupt.

This venture, as you know, was a failure. The insolvency crisis arose precisely because of the preservation of loss-making and inefficient enterprises producing output that nobody wants today.

I have no doubts of Gaydar personally. If it was all up to him alone, he would have allowed a dozen or so dried-up plants subsisting on budget injections to go bankrupt. The notorious "Phillips curve" made that incumbent on him. That course of events could have made economic managers stop bartering and start working to increase turnover. But that required a strong government.

The course toward a presidential republic met with staunch resistance from the democratic bureaucrats entrenched in the organs of soviet power, who did not want to disappear into oblivion. This opposition was headed by parliament speaker R. Khasbulatov, who even in the initial phase struck a grave blow against Gaydar's team—he secured virtually total power over the Central Bank of Russia. The existence of this unique banking system, set up by former Soviet intelligence worker Matyukhin, shows that social institutions of a totalitarian hue can exist even in the postcommunist era. With the help of a ramified system of cash and accounting centers, Georgiy Matyukhin was until recently putting spokes in Gaydar's wheels.

Gaydar's team recognized their political impotence very quickly. As early as March Economics Minister A. Nechayev announced his intention to extinguish nonpayments with the help of a credit emission of 200 billion rubles. And the directors, who had by then almost recovered from the shock, realized that you can run rings round this government. The nonpayments started to grow at a rate of 300 billion a month. In general, the market mechanism did not come into operation, and the problem of the budget deficit was only transmuted into a problem of payments discipline. Neither emission nor inflation was halted.

Today the government is making desperate efforts to resolve the cash problem. But the appearance of a large quantity of cash in circulation will cause a sharp increase in prices. Taking into account the increase in prices of energy sources and agricultural products, we can expect savage hyperinflation in two or three months.

Our government has undoubtedly realized this, though rather late in the day. It has made very important adjustments to the reform plan. If, politically speaking, the course toward a presidential republic remains unchanged, in the economy "fraternization" is now in full swing between the Gaydar team and the military-industrial complex. Key posts in the government have gone to representatives of the economic managers—G. Khizha and V. Chernomyrdin. This alliance is reflected in the new privatization program, which allows labor collectives to acquire a significant proportion of shares in their enterprises and to become the owners. And owners, it is well known, do not strike. And once you have set a course of commercialization of industry, you cannot do without a law on bankruptcy.

That all seems fine, and there would be no obstacle to the conclusion of a "social contract" among all social groups, were it not for the fact that one social group—those same representatives of soviet power—still do not fit into the logic of reform, and are continuing to disturb the industrialists.

It is, after all, a common enough problem. No one wants to leave the political arena voluntarily. By delaying the government's draft laws parliament is trying to drag things out so as to gain political dividends on the back of the growing crisis. The combined actions of parliament, the government, and the increasingly active trade unions have launched M. Friedman's well-described "accelerator" model of crisis, that is, a model that increases the pace of inflation.

This means that a change in the model of reform is becoming increasingly likely. Well, people survive even with hyperinflation. But it is a different ball game, one that ought to be managed by the inflationist Pavlov rather than the monetarist Gaydar.

Decree on Payments to State Employment Fund

PM2605130392 Moscow ROSSIYSKAYA GAZETA in Russian 14 May 92 First Edition p 2

[Decree No. 504 of the Russian Federation president "On the Formation of a Russian Federation State Employment Fund in the Second Quarter of 1992," dated 12 May 1992, The Kremlin, Moscow, and signed by Russian Federation President B. Yeltsin]

[Text] For the purpose of funding in the second quarter of 1992 measures connected with providing employment for the population, I resolve that:

1. A normative rate of 1 percent of the wages fund should be established in the second quarter of 1992 for compulsory monthly payments by employers into a Russian Federation State Employment Fund.

2. Invalids' and pensioners' public organizations, including their enterprises and institutions set up to carry out the declared aims of the aforesaid organizations, and enterprises, institutions, and organizations in which at least 50 percent of the workforce are invalids or pensioners, will be exempt from making the compulsory monthly payments to the Russian Federation State Employment Fund.

3. When forming the Russian Federation state budget, the Russian Federation Ministry of Finance is to provide for further allocations in the second quarter of 1992 to the Russian Federation State Employment Fund of the requisite budget funds to cover any shortage of funds to pay unemployment benefits due to labor market emergencies.

4. Governments of republics in the Russian Federation and executive organs in krays, oblasts, autonomous entities, and the cities of Moscow and St. Petersburg, when forming their own budgets, are recommended to allocate in the second quarter of 1992 the requisite additional resources to territorial employment funds.

[Signed] Russian Federation President B. Yeltsin
[Dated] The Kremlin, Moscow, 12 May 1992
No. 504

Yeltsin's Chief Bodyguard on Protection, Duties

PM0306143192 Moscow ROSSIYSKAYA GAZETA in Russian 23 May 92 First Edition p 4

[Interview with Major General Aleksandr Korzhakov, chief of the Russian president's personal bodyguard, by Andrey Zhdankin in Korzhakov's Kremlin office; date not given; carried under the "Special Services" rubric: "About Yeltsin, His Security, and Myself"—italicized portion is Zhdankin narrative]

[Excerpt] [passage omitted] [Zhdankin] How many men are guarding the president?

[Korzhakov] Enough.

[Zhdankin] How many, though? When your department was not recognized, when it was, so to say, in a "quasi-legal" position, its numbers did not exceed 50 men, but now?

[Korzhakov] The department has not become inflated. But the specific number guarding him depends on how you calculate it: Structurally our service is an autonomous part of the Russian Federation Main Bodyguard Directorate. For normal events our own forces are enough; for big events we bring in additional forces. Boris Nikolayevich has several men with him round the clock.

[Zhdankin] What is his personal bodyguard armed with?

[Korzhakov] Regulations prescribe a mandatory pistol; any make, whatever a person handles best: a small autoloading pistol, a Makarov, or a Stechkin. The service now has the opportunity to acquire any pistols, but we mainly use our own makes. True, not all of them are suitable for our special needs. For example, the Makarov pistol is very reliable, but whereas a revolver can be used one-handed, you need two hands for the Makarov. Suppose you have been injured or you are using a hand to hold somebody—it is virtually impossible to fire, because the other hand is needed to load the breech, and under our instructions it is categorically prohibited to keep a round in the chamber.

There is a mandatory group weapon, that is, an assault rifle, which in our jargon is called a "violin." We take it out only when the situation is very tense. It is a 5.45-caliber assault rifle based on the Kalashnikov with a shortened barrel. These are the assault rifles in the armories of operations groups in the Ministry of Security and the Ministry of Internal Affairs. But the main weapons are our hands, feet, and above all our heads.

[Zhdankin] Do you wear bulletproof vests?

[Korzhakov] Foreign presidents' protection teams usually wear bulletproof vests, but we do not. Such is the custom. During the August events, for example, we had only two vests.

[Zhdankin] Did the president have one?

[Korzhakov] One of these two, but during the whole time he could be persuaded to put it on only once, in the evening on the first day of the putsch. When he was going out onto the White House balcony to address the people there was a very real danger—the bodyguard "spotted" five snipers. But how many remained unnoticed! The speech had to be switched to the opposite balcony. Incidentally, one vest was lost during these events.

[Zhdankin] For a long time your department could not obtain an armored vehicle, which customarily goes with the job of being the state's top official. Has this problem now been dealt with?

Before quoting the answer, it is worth giving the entire history of attempts to obtain an armored car; it is quite *interesting and very few people know it. After the sensational road transport incident in which Yeltsin's motor vehicle was involved in Gorkiy Street, Khasbulatov, who was in charge of the security department, was ordered by the deputies to send a letter to KGB Chairman Kryuchkov requesting the allocation of two heavy and two light Mercedes. This might seem rather too many but, according to protocol, the bodyguard must travel in vehicles of the same class as the principal, except that they travel in light rather than heavy (armored) vehicles.*

There were around 10 Mercedes in the special purpose garage belonging to the USSR KGB Bodyguard Service and, not long before the letter, one was sent to the first secretary of the Armenian Communist Party Central Committee and another to his counterpart in Azerbaijan. Kryuchkov replied that he had the vehicles but it was not possible to give them, because visits by foreign heads of state had become more frequent and the vehicles were in intensive use. Indeed, No Tae-u, J. Attali, and T. Ozal were arriving at that time. But the Korean leader, for example, did not use a Mercedes—he made do with a Zil. After Korzhakov's terse interview with POSTFACTUM a new letter arrived, and they agreed to allocate one vehicle. The chief answered the telephone calls to the garage by saying that a letter is just a letter and that he had not received any specific instruction. Some days later an article was published in SOVETSKAYA ROSSIYA claiming that the vehicle had already been handed over, and then somebody from the garage telephoned, saying the vehicle was ready for immediate collection. But the "gift" had to be declined, because KGB technicians had hurriedly been "working" on the vehicle. It is indicative that members of Nazarbayev's protection team who also requested an automobile to be allocated were told that there was no chance because four Mercedes had been allocated to Yeltsin.

An armored vehicle was also ordered from the Gorkiy Motor Vehicle Plant but the director refused, citing the absence of an official order from the competent organs, but the workers almost went on strike. The All-Union Steel Scientific Research Institute, located in Moscow, also tried to "dress" a Volga in armor. This was unsuccessful.

[Korzhakov] The automobile that the institute wanted to equip would have taken two years to appear. We could not wait such a long time and canceled the order, whereupon the circumstances changed. Yeltsin now has two heavy Zils, manufactured using standard European technology; they are quite reliable vehicles. True, it took a very long time to convince Boris Nikolayevich of the need to use such a Zil: First, he does not like pomposity, and second, he considers this degree of protection excessive.

[Zhdankin] That the president is a reckless man was evident even from the photographs taken on vacation in Sochi—he swam in the sea every day although the water temperature was only 7 degrees. Did the bodyguard manage to avoid colds?

[Korzhakov] On one occasion the water was even 4.5 degrees. Everyone in our team went swimming, but nobody was ill. I do not like icy water very much, but work is work. Had I taken these "baths" alone I would certainly have been ill.

[Zhdankin] How does the bodyguard train?

[Korzhakov] The shooting range, the sports hall, and theoretical training are mandatory. There are special, set methods for firearms training and unarmed combat. We rehearse shooting at both static and moving targets, and to time (rapid firing). Of course, the calculation of points is strict and the pass marks are quite tough. We mainly accept people who already have a sports background. A first-class rating in boxing or wrestling is a good basis.

[Zhdankin] Are there any difficulties with sports halls and shooting ranges?

[Korzhakov] Almost none. Previously it was not very easy; many organizations helped us, but privately. For example, we were able to fire our assault rifles at the Precision Engineering Scientific Research Institute. I could go on citing examples. But all that is in the past, thank God.

[Zhdankin] Do you have anything to do with sport?

[Korzhakov] Previously I played volleyball almost professionally, and as a reminder of those years I do not have a meniscus in either knee. I am not a bad shot; I was directorate champion.

[Zhdankin] What sort of shot is Yeltsin?

[Korzhakov] Very good with a shotgun—much better than me.

[Zhdankin] Do you have a personal weapon?

[Korzhakov] Of course, a small autoloading pistol, but I carried it only during the putsch.

[Zhdankin] Has the bodyguard ever had to use its weapons?

[Korzhakov] Fortunately, never. When Boris Nikolayevich goes to meet the people he seems to exert a benign force on them, therefore the need to use weapons has not so far arisen.

[Zhdankin] Can the system of guarding our president be compared with foreign systems?

[Korzhakov] It seems to me that we are generally inferior to the Americans, for example; they have refined their system over many years and their equipment is a bit better. But, on the other hand, their presidents have been killed and ours have not, although there have been attempts. We are undoubtedly better than them in one respect—working in a crowd. During Boris Nikolayevich's visit to the United States there was an episode when the presidents were walking through a mass of people toward the Lincoln Memorial; Bush's bodyguard was slightly at a loss—their presidents do not go walking among the people, but this situation is a normal thing for us. Our guys operated considerably better: more decisively, more efficiently.

[Zhdankin] It has been written that every year Yeltsin himself plants potatoes at his dacha for his family. Has the "sowing campaign" already been carried out this year?

[Korzhakov] No, and it is unlikely to be, because he does not have his own dacha now.

[Zhdankin] What about "Bocharov Ruchey" in Sochi and the dacha in Arkhangelsk?

[Korzhakov] They are state dachas, whereas he has not had and to this day does not have a personal dacha. Frankly he is one of the few leaders of the country not to have built anything for himself either at his own expense or more especially at state expense. Much is known about the dachas of Brezhnev and the others. Andropov did not build any; the chief of the Ninth Directorate decided to please him, for which he was transferred to other work. He was replaced by Plekhanov, who is now in "Matrosskaya Tishina" [prison].

[Zhdankin] Is it true that Yeltsin likes to "race about" in minibuses?

[Korzhakov] A canard. He knows how to drive a vehicle but he does not race about, he drives like a normal driver. It is a long time since he last drove a vehicle himself. He used to drive constantly and apparently not badly when he worked in construction, and once drove his family from Sverdlovsk to the Crimea on vacation.

[Zhdankin] There is no need to prove that Yeltsin is a decisive man. The photograph taken on the first day of the putsch, when he got up on a tank and addressed the defenders, went around the whole world. How often do unexpected, dangerous situations occur?

[Korzhakov] Unfortunately they do occur. We tell him not to go there, that it is dangerous there, not to stop here, but almost every time he replies that here is precisely the place to stop and boldly goes into any crowd. Thus he frequently does everything his own way, as he sees fit. We have gotten used to this behavior and plan our actions with this in mind.

[Zhdankin] Does he have a competitive instinct?

[Korzhakov] Very much so. He does not like to lose. For example, when he plays tennis he fights to the bitter end, and even if the situation is hopeless he will always play until he drops. He gets his competitive instinct from childhood, fist fights, and sport. Everyone knows that he was a strong volleyball player, but he is an even stronger decathlete: He has jumped close on 190 cm, was an excellent runner, threw the javelin, and putted the shot. For a long time he played the two sports simultaneously.

[Zhdankin] What sort of work schedule does he have now?

[Korzhakov] The same one as before. When going home he takes with him a voluminous file of state documents whose consideration cannot be delayed, and by morning he has read through everything and issues the necessary orders and instructions. [passage omitted]

Central Bank Credit Policy Criticized

PM0106121592 Moscow IZVESTIYA in Russian 21 May 92 Morning Edition p 2

[Article by O. Lavrushkin and B. Mirkin, experts of the Russian Supreme Soviet's subcommission for bank affairs: "Central Bank of Russia Continues to Pursue Policy of Support for State and Not Entrepreneurs"]

[Text] The credit and monetary policy pursued by the Central Bank of Russia is unjustifiably tough for our conditions. The bank itself is no longer enduring this policy.

This was graphically manifested during the payments crisis of January through April this year. Enterprises' debts on reciprocal transactions rose from 32 billion rubles [R] at the start of the year to R800 billion by the end of the first quarter. Understandably, this increase in nonpayments should end with bankruptcies and mass breakdowns of economic relations (which have already broken down for many other reasons) and perhaps with a social eruption caused by enormous wages debts.

An analysis of the structure of enterprises' debts shows that it varies according to sector and region. At the end of March 1992 of Russia's 80 regions 10 accounted for about 40 percent of enterprises' reciprocal nonpayments while 10 of over 120 sectorial structures accounted for 33 percent. Obviously, additional credits from the Central Bank should be aimed primarily at suppressing these concentration centers, since the bank has by force of circumstances been obliged to retreat from its principle of tough credit restriction. Instead it has been decided simply to put an additional R200 billion in credit into circulation, at the usual 50 percent interest.

In our opinion it was necessary to release additionally at least twice as much, since the movement of prices since April 1991 had by the end of the first quarter of this year increased the prices of commodities by a factor of seven to 10 while ready money had increased only by a factor of two to three. In actual fact for normal commodity turnover—and to prevent taking the production slump to a critical point—the money mass should not take so long to follow the change in prices for the mass of commodities. Especially under our conditions, when the speed of monetary turnover is not that great. According to our assessments the entire excess money mass (what Ye. Gaydar has called the "overhang") which accumulated in 1986-1990 was to a considerable extent "hauled in" in 1991 and early 1992 to service current turnover, which had drastically increased in price terms.

These very grave upheavals in the economy, like the payments crisis, attest that monetary policy, for which it is primarily the Central Bank of Russia that is responsible, is in need of serious amendment. This bank's behavior on the money market should not be as rectilinear as it has been so far. The Central Bank cannot, as it has done so far, work with the money mass "as a whole": The situation requires a selective policy. Credit restrictions are undoubtedly necessary but they should be of a directed nature. If there is some sphere of the economy that is in need of urgent and priority restriction of money resources, then it is, of course, state expenditure. And that is the only field where the principled Central Bank shows signs of weakness. The state is provided with virtually unrestricted credit and without any waiting in line.

It seems to us that in the prevailing situation the Central Bank does not have the right not to count loans to the state in the overall sum of its credit emission alongside the funds which are redistributed to the economy and the population through the commercial banks. It cannot restrict loans to the latter while at the same time expanding Central Bank credits to cover the state budget deficit. Right now in now circumstances should we create a system of benefits which encourage commercial banks to acquire state securities, because that leads to money resources being switched from the national economy to the increasingly widespread servicing of the state's needs. We cannot fail to draw attention to the USSR's internal state debt (about R1 trillion), excepting it to be devalued because it was borrowed mainly from the population's funds. It is immoral not to extinguish it, continuing ruination of our people. There are also other "don'ts" but those are the main ones.

The payments crisis of early 1992 has in addition shown graphically the losses the economy is incurring from the uncoordinated actions of the central banks of the ruble zone. Usually Russia's share in the assets and liabilities of the former USSR has been approximately 60 percent. That makes it possible to suppose that about 40 percent of the additional credit emission of R200 billion which the Central Bank of Russia has now begun to make will be channeled into extinguishing the Russian enterprises' foreign ruble debts. That means, first, that to achieve the solution of the payments crisis in Russia, it is necessary to make a far bigger injection of funds. That means, second, that until collaboration and the exchange of information are set up between the central banks of the ruble zone and until they begun to pursue a common (or if you like unified) policy, no one will be able to say confidently what our neighbors' payments situation is and how it influences the entire ruble zone.

Impact of Cabinet Reshuffles Viewed

MK0406144092 Moscow NEZAVISIMAYA GAZETA in Russian 4 Jun 92 p 4

[Leonid Skoptsov report under the "Government" rubric: "Gaydar's Team Starts Deserting Government Ship. Gaydar's Triumphant Victory at Sixth Congress of Russian Deputies Proves Pyrrhic"]

[Text] During his remaining three or four months of active political life Gaydar must concern himself not so much with reforms as with his own future.

But Boris Yeltsin has once again succeeded in routing both his enemies and supporters: The withdrawal from the government of one of the key players on Gaydar's team—Fuel and Energy Minister Vladimir Lopukhin—plus the appearance of two new and powerful vice premiers at once—Viktor Chernomyrdin and Georgiy Khizha—and, last, Vladimir Shumeyko's long-awaited move from vice speaker to first deputy chairman of the government, with a long-term view to the full premiership, all indicate that the cadre changes in the ruling cabinet are by no means cosmetic. The deputies, whom the president promised a major government strengthening at the congress, no longer have a leg to stand on: You cannot regard even defense industry representatives, much less gas industry man Chernomyrdin as star turns. It is also obvious that Yegor Timurovich's fairytale career—fortunately or regrettably, depending on the observer's viewpoint—is coming to an end.

Hitherto one of the favorite public tricks staged by Gaydar's team was a show of unity—at both opportune and inopportune moments. It has been said repeatedly that neither Yeltsin nor Khasbulatov would succeed in "retiring" any of Yegor's men because then the president would have to part with the whole crew.

However, the fact that Gaydar was ultimately unable (or unwilling) to defend his own man, however they may now try to deny it, will be a signal to everyone else that they all sink or swim alone. While Yegor Gaydar will be able to hold out longer than anyone in the government, he will still have to swap his first vice premiership for the more modest post of finance minister.

Needless to say, the gradual removal of Gaydar's crew from the realms of power will be greeted in varying ways by the Moscow intelligentsia. Spiteful critics in the radical democrat camp will not fail to see this as more evidence of the first Russian president's essential affiliation to the party nomenklatura: He is said to have "surrendered" the reformer Yavlinskiy 18 months ago and to be now "surrendering" the reformer Gaydar. But, to be fair, one should point out, first, that the gilded youth who rallied to Gaydar's banner are themselves part of the top Moscow party and Komsomol establishment.

Second, rather than on Gaydar's team there is far more reason to pin the reformer's laurels on Georgiy Matyukhin, the unutterably reviled head of the Central Bank (it was he and not the government who slowed down money turnover and restrained the credit and money supply by fair means or foul), and Finance Minister Vasiliy Barchuk (he liberalized prices in accordance with his former patron Valentin Pavlov's plans). So, to say that the weakening of Gaydar's positions means the renunciation of the reform policy is at the least ridiculous in that we have not so far seen Gaydar's reforms.

At the same time there is no doubt that the cadre reshuffles in the government herald major changes in the alignment of political forces in the Russian upper echelons of power and are evidence that the Russian president's personal power is strengthening still further.

That is indeed so. The campaign both before and during the congress for influence over the president has consistently weakened the positions of, first, the leader of the old Sverdlov guard, Yu. Petrov (he was forced to ask to resign), and also G. Burbulis, leader of the new Sverdlov guard (he quit his post of first vice premier). S. Shakhray quit the government. The Moscow and Leningrad Soviets are only awaiting the order to gobble up G. Popov and A. Sobchak. At the congress itself R. Khasbulatov not only fell into the trap laid by deputies for Ye. Gaydar, he also contrived to fall out with the liberal press. Since the congress the protracted euphoria within Gaydar's team has been most palpably dispelled.

In other words, there is no one left in the narrow group of influential people who has not sustained perceptible damage over the last six months and has not lost influence and status.

Typically, no one has gone from the group of "Yeltsin's comrades-in-arms" (remember Ruslan Imranovich suddenly starting to swear allegiance to Yeltsin at a critical moment?). Admittedly, any of them can now only boost their status in respect of the others with the president's help. And only the president can now swell the ranks of his comrades-in-arms with new influential people. That means that the process of consolidating and strengthen power is virtually over in the Russian upper echelons, in Moscow. Henceforth the most interesting political events and new political figures will emerge in the provinces.

Economic Adviser Outlines Cabinet's Plans

OW0506023992 Moscow INTERFAX in English 0007 GMT 5 Jun 92

[Interview with Aleksey Ulyukayev, government economic adviser, by Kirill Dibrova; place and date not given; from "Nation & Society"; transmitted via KYODO]

[Text] The Government of the Russian Federation is developing a number of new measures in regard to financial matters and in foreign economic relations. INTERFAX's correspondent Kirill Dibrova spoke with the economic adviser of the Russian Government Aleksey Ulyukayev on the plans of the Cabinet of Ministers.

Corr. [Correspondent]: Aleksey Valentinovich, many people are under the impression today that after taking several steps to stabilize the economy and having survived the criticism at the 6th congress of the People's Deputies, the government is sticking to a temporizing policy and does not plan any active measures, do you agree?

Aleksey Ulyukayev : Yes, you're right. After the congress a certain euphoria has taken over. And this is quite understandable, because when you work hard for something and have been successful you have a period of relaxation. On the other hand, there is an interval during which you can get busy developing reforms further. I'm referring the intermediary program of deepening economic reforms we are currently working on. We have a month at our disposal to come up with a detailed program working with ministries, departments, and such supplements as decrees, tables, calculations.

The program will include a program of introducing a convertible ruble, changing the foreign economic regulation of hard currency, reducing the sphere for non-tariff regulation of foreign trade, and uniting customs tariffs.

The main aim is to establish a normal, natural exchange rate for the ruble by maximizing the hard currency market. We do not want a market situation with one major holder of hard currency—the republican currency reserve—and many small holders. We'll never establish a normal currency market in those conditions and the ruble's exchange rate will remain artificial. It will either be artificially low, as it is now, or artificially high if we put a large amount of currency into the market. We need a natural exchange rate.

To achieve this we plan to abolish the Central Bank's special exchange rate under which exporters sell 40

of their hard currency profit to the state. This special ruble exchange rate is twice as high as the market exchange rate (55 as opposed to 112) and thus exporters give 20% of the hard currency to the state at no cost. This system of selling a portion of hard currency profits will hold for the time being but now it will be sold at the market exchange rate.

This will increase the hard currency available on the market, and in turn, the number people holding hard currency and the sources of from which currency enters the market. Consequently a normal exchange rate for the ruble will be established.

Corr.: You have enumerated measures concerned with foreign economic activity. And what about the internal economic sphere?

A.U.: The main attention will be devoted to broad privatization and supporting national business activity. The government will develop a program for the privatization of large and middle enterprises in the summer months. They will be turned into open joint-stock companies. At first the state will control the packet of shares, and in some cases all the shares. This is necessary as the population lacks sufficient financial resources to actively participate in trading.

On the whole we are talking about forming a stock market comprising three elements. Firstly, is the appearance stocks—shares, bonds, and other securities through stock companies. Secondly, increasing demand by introducing a voucher system or personal privatizing accounts as they are called in our country. And, thirdly, the appearance of the structures of the stock market—the stock exchanges, investment institutions, consultants, trust companies.

To form a mass investor it is necessary to solve the most important task of increasing the norms for accumulation. In particular, we plan to create independent pension funds. The main idea is to capitalize existing obligations on pensions, to transfer them to securities. The pension fund could be the holder of these securities and with the client's consent could convert them into property by means of participating in the privatization of enterprises. Thus as the privatization process is completed an institutional investor will be formed.

Corr.: But introduction of vouchers to some extent leads to additional credit emission. Won't this cause further inflation?

A.U.: To a certain degree. Therefore the State Committee on Commodities will introduce such accounts beginning next year after prices have relatively stabilized.

But on the one hand we cannot prevent the growth of inflation after the introduction of vouchers, and on the other side it is impossible to obtain financial stability in the long-term without changing the structure of ownership. Such a change in the structure of ownership, and the entire economic system as well, will be more beneficial than merely controlling inflation.

Corr.: During your last press conference you said that several disagreements still exist between the government and the International Monetary Fund. What are they?

A.U.: Firstly, these disagreements concern the future of the ruble zone. Anyone who plans to grant credits to the program of ruble stabilization and knows that not everybody exploiting this ruble pursues a coordinated financial policy the creditor develops certain reservations concerning the effectiveness of his subsidies. Therefore the IMF firmly demands that the ruble zone be limited and a single policy adopted. Unfortunately, Russia cannot always influence the republics of the former USSR which implement a very independent financial policy.

Secondly, the IMF demands that a favorable (above the inflation level) interest rate be introduced. The discount rate was recently raised to 80%, but it's still negative. Nevertheless we managed to reach understanding with the IMF's experts on this issue; they agreed on our step-by-step introduction of a favorable rate.

Thirdly, is the freeing of fuel prices. Apparently the final liberalization of fuel prices will come in July. But until the end 1993 the state will retain control on the regulation of these prices by changing internal taxes for oil-extracting enterprises (royalties) and export tariffs. We hope that these measures will coordinate domestic fuel prices with world prices.

Corr.: Nowadays it is fashionable to criticize the government's tax policy. To counter this, the Cabinet announced its plan to lower taxes on profits of the enterprises. Do you plan to introduce any tax breaks for joint ventures?

A.U.: The provision introduced by Gorbachev's administration on the non-collection of taxes from joint ventures for two years after they realize their first profits has been abolished. But not all the members of government approved this action.

In particular, the committee on foreign investments firmly stands for restoring the tax privileges for joint ventures. And their position is well founded. 20 joint ventures recently announced that they are pulling out of Russia. A process of recalling investments has begun.

I think the two-year holidays for joint ventures will be introduced again soon.

Corr.: What can you say on possible rearrangements in the governmental structures?

A.U.: The Vice Premier and the Minister of Labor and Employment Aleksandr Shokhin will retain his post as deputy to the leader of the government, but his responsibilities will increase greatly. He is already in charge of foreign economic relations, chairs the currency-economic council, and manages the IMF and exchange operations of banks. But Shokhin might leave the post of Minister of Labor and Employment. No candidate for this post has been chosen.

The Ministry of Industry will not be divided into several branches yet. At the same time, the new Vice Premier Georgiy Khizha, who is in charge of the industrial block, stresses the need of personnel changes in the Ministry's leadership. But it is too early to elaborate on them.

The Vice Premier Valeriy Makharadze is responsible for issues of regional development, and the reform processes in local areas.

Regardless of how the responsibilities are broken down, Yegor Gaydar will manage the macroeconomic issues, including financial policy. I think this is quite obvious.

Likely Uses of IMF Credits Assessed

PM0406110192 Moscow ROSSIYSKIYE VESTI in Russian 2 Jun 92 p 3

[Article by Nikolay Subbotin, deputy chief of the Government Department for Cooperation with International Financial Organizations under the "Finances" rubric:

"Twenty Four Million Greenbacks. How Will they Be Used?"; last paragraph is editorial comment]

[Text] Our newspaper has already published a diagram showing the distribution of these credits. Today we are publishing a commentary which clarifies this subject in more detail.

An official ceremony to mark the occasion of Russia's joining the IMF was held 1 June in Washington. Henceforth it is a full member of this financial organization. This very important event became possible once the Russian Federation Supreme Soviet gave the "go-ahead" for this step 22 May.

The rather uneasy situation generated by doubts expressed by certain mass media, public figures, and parliamentarians is behind us: They had stated that we were selling ourselves into Western slavery. The government convinced the parliament of the groundlessness of such suspicions. The opposite is true—the country is being granted access to an international financial system, to participation in its life, and to cooperation with leading financial centers. And this undoubtedly provides it with clear advantages without damaging its autonomy at all.

Let us imagine for a moment that we had kept our previous position, and had not followed the essential momentum of world financial life but continued to shut ourselves off from it. Then the prospects of the Western business world's adopting a favorable attitude to investment in the Russian economy would have been put off indefinitely. In resolving the problem of whether to invest capital in a particular country or not the litmus test for business people is that country's IMF membership. Confidence in members of the Fund is immeasurably greater than in those that have no official ties with it. And if the outcome is favorable, I believe that the volume of private investments will exceed the sum of credits granted by the IMF.

So what do we have at our disposal now that we have acquired the right to receive credits from the fund and in the near future from the International Bank for Reconstruction and Development? The figure of $24 billion has been spread all around the press. But this does not mean that such an impressive package of "greenbacks" will be lying on our table. The purpose of this money has already been predetermined to a great extent.

Six billion dollars will go into the ruble stabilization fund. Experts expect this initially to help keep the rate at a level of around 80 rubles to one dollar.

Almost half of the aid, $11 billion, consists of credits granted under bilateral agreements between Russia and first and foremost the G-7 countries. To a considerable extent they were concluded earlier, some of them with the former USSR. The United States accounts for one-fifth of the aforesaid sum, 2.1 billion, and just less than half of this money will be spent on the purchase of agricultural products for Russia.

However, along with the credits we are constantly being given reminders that we must pay back the old debts. Fund membership gives us the opportunity to secure deferment of their payment. To my mind, this is now the most important element. However, there are circumstances whereby it is simply impossible to postpone payments, and $2.5 billion will be allocated to paying them off.

Approximately $4.5 billion remains in total. This is what we are being offered net, so to speak, directly for the support of reform. The sum does not look so big any more. But the effect of it could be significant if we are able to make proper use of it.

Who will get this money? After all, as in previous times, a heap of regions and enterprises are laying claim to it. It is assumed that around $500 million will be used for what are known as critical imports. We can use this money to buy what we need first and foremost: for example, medicines, bread, and so on.

Furthermore, we are scheduled to receive two targeted credits from the World Bank for the needs of agriculture and the fuel and energy complex. It is being proposed that around $1 billion be allocated for the support of these sectors. In the near future the government will elaborate and present to the Supreme Soviet a program for the use of the entire $4.5 billion.

In this way, without underestimating the significance of Russia's IMF and World Bank membership or the role of the announced $24 billion aid package, we must nevertheless not forget that all this in itself is not capable of resolving the economic problems facing the country: These are just opportunities we have been presented with, but what we do we them is up to us, so to speak.

From the editorial office. One of the first tasks is to prevent the resources received from disappearing into thin air. Evidently we need to concern ourselves with the timely creation of a reliable mechanism for the use of the credits. ROSSIYSKIYE VESTI will carefully monitor their distribution and will regularly inform readers which enterprises have received them, what materials and equipment are bought with them, and what are the practical returns from the resources invested.

Prospects for Oil Industry Stability Examined

OW0506030992 Moscow INTERFAX in English 0102 GMT 5 Jun 92

[From the "Business Report"; transmitted via KYODO]

[Text] Throughout the 1980's the oil industry in Russia developed at a very high rate with production increasing from 20 to 25 mn. [million] tons per year. 1988 saw a record amount of oil and gas condensate extracted—568.3 mn. tons or 91% of the total production of the former Soviet Union. These high rates were achieved due to the putting on stream during the 1950's, 1960's and 1970's of the rich oilfields of the Urals and the Volga

Region, and subsequently the fields of Western Siberia. Furthermore, production at these fields went ahead at super-high rates with 6-12% of the oil being extracted from the fields' initial reserves annually. During its meeting on May 30, the Russian cabinet discussed the plan for stabilizing the republic's oil and gas industry. Herewith are the plan's assessments of the situations and the measures it proposes be taken.

THE OIL PRODUCTION PEAK IS PAST. The impermissibly high rates of extracting oil from the fields resulted in the wells rapidly running dry. At present the largest and richest of these have been 60-90% worked out. It has not been possible to compensate for the fall in the production of these fields, since in recent years not a single large-scale high-producing field has been developed. Those that have come on stream have required much greater proportionate costs than previously. Thus the average yield from one well in the Tyumen Region (Western Siberia) fell from 138 tons in 1975 to 12-13 tons in 1992. That is, the material, technical and financial costs of oil production at the new fields have increased ten fold.

As a result the end of the 1980's saw a drop in Russian oil production. In 1991 the total volume of oil extracted—460 mn tons—was 108 mn tons, or 17.3% of what it had been in 1988. In 1992 it is expected that oil production will drop to 378-380 mn. tons.

THE CAUSES OF THE CRISIS. They lie primarily in the state's cutting back on its financing of the oil industry, which began in the late 1980's at a time when the oil producing enterprises were not in a position to finance construction at the oil fields themselves so as to maintain former extraction levels. The low price offered by the state for oil (70 rubles per ton in 1991 rising to 350 rubles per ton in early 1992) was not sufficient to cover production costs.

The fall in oil production from the wells at present in operation is estimated at 20% per year. To maintain the present level of oil production new wells must be open yielding 118 mn. tons per year, and this requires the drilling of 62 mn. metres of operational wells. In 1991 only 27.6 mn. metres were drilled.

Due to the financial cutbacks the amount of exploratory drilling was reduced 30% in 1989 and increases in industrial reserves of oil, particularly in Western Siberia, fell 1.5 times.

The lack of sufficient financing has also made it impossible to carry out the necessary reconstruction of the oil pipeline grid. As a result of the numerous leaks more than 1 mn. tons of oil were lost in 1991 alone and considerable environmental damage was caused.

Another reason for the crisis, according to the authors of the programme, is the lack of essential oil field equipment and pipes, which often amount to less than 70% of requirements. The programme points out that attempts to acquire them abroad have "not been successful, since the amount of funding allocated was insufficient."

Poor material and technical servicing has meant that there are in excess of 25,000 wells standing idle, 12,000 above the norm. The losses from these latter alone amount to some 100,000 tons daily.

A third cause of the crisis, in the opinion of the programme's authors is the general unstable situation in the country, the breakdown of economic ties, and the loss of proper management due to "continual reorganization".

If the present situation continues, the programme stresses, oil production in Russia will continue to decline further and in 1995 be no more than 228 mn. tons.

WAYS OUT OF THE CRISIS. The stabilization programme proposes a number of measures which during the course of the next 2-3 years could put the brake on the decline in oil production and set the groundwork for its future growth. In particular it proposes the following:

—increased financing for geological exploration work funded from oil sales, and increased amounts of such work from the 3.6 mn. metres drilled in 1991 to 5.1 mn. metres in 1993 rising to 6.2 mn. metres in 1994 and 1995. It is expected that the annual increase in oil and gas condensate reserves should amount to 700-900 mn. tons. The programme makes the point that so far no more than 40% of Russia's forecasted reserves are yet being developed;

—drilling not less than 25 mn. metres of operational wells in 1992, and increasing this number by 3 mn. annually so as to reach 35 mn. metres by 1995;

—advancing the groups of enterprises working in the oil industry with interest-free short term loans of 40 bn. [billion] rubles this year.

—reducing the number of idle wells this year by 2000 and in 1993 by 3000 and reaching by 1994 the normal number of non-working wells (13,000).

—begin operations in 1992 at 19 and in 1993 at 30 new wells;

—attracting foreign 3-5 year credit of up to $700 mn. under government guarantees for the purchase of imported equipment in 1992 and 1993;

—concentrating at the Ministry of Fuel and Power the currency earnings from the sale of oil for the purchase of imported equipment;

—organizing at Russian enterprises between 1992 and 1995 the production of oilfield and drilling technology, which is currently being purchased abroad and from other Commonwealth countries.

If these and other measures are implemented, the authors of the programme forecast, it will be possible to stabilize oil production by 1995 at the level of 316 mn. tons and increase this level to 359 mn. tons by the year 2000.

ESTIMATE OF OIL AND GAS CONDENSATE PRODUCTION IN RUSSIA TO THE YEAR 2000
(thousands of tons)

	1992	1993	1994	1995	2000
RUSSIA	393357	352487	333015	326164	372203
including: oil	384464	343698	323845	316420	359113
condensate	8893	8789	9170	9744	13090
Ministry of Fuel and Power	380845	340084	320064	312054	341913
including: oil	380739	340000	320000	312000	341863
condensate	106	84	65	54	50
Gazprom Concern	10012	9703	10050	10810	18290
including: oil	1225	998	945	1120	5250
condensate	8787	8705	9105	9690	13040
Geological Committee, oil	2500	2700	2900	3300	12000

Supreme Soviet

Moratorium on Yugoslav Sanctions Rejected

LD0506080392 Moscow ITAR-TASS in English 0730 GMT 5 Jun 92

[By ITAR-TASS correspondent Ivan Novikov]

[Text] Moscow June 5 TASS— The Russian parliament rejected on Friday [5 June] a proposal to introduce a moratorium on Russian sanctions against Yugoslavia.

The proposal to suspend the decision of the Russian Government to join the international sanctions was submitted to the parliament by Deputy Nikolay Pavlov, a staunch opposer of President Boris Yeltsin.

Sergey Filatov, the first deputy parliamentary speaker, told deputies that parliamentary commissions and committees are now working on a number of issues connected with Yugoslavia, including Russian attitude towards the U.N. sanctions. "Most evidently they will be submitted to discussion by the presidium of the parliament next Monday", he added.

Opposition Bloc Criticizes Decision on FRY

OW0506010592 Moscow INTERFAX in English 2337 GMT 4 Jun 92

[Transmitted via KYODO]

[Text] The opposition bloc in parliament "Russian Unity" has criticized the Russian government's decision to join international sanctions against Yugoslavia [FRY—Federal Republic of Yugoslavia]. One of the leaders of the group "Russia" affiliated with the bloc, Nikolay Pavlov, read out an official statement describing the government's position as an "outrageous betrayal of the interests of Russia and Yugoslavia". Pavlov recalled that the Russian representative in the security council could vote for economic sanctions against Yugoslavia only on instructions from President Yeltsin.

People's Deputy of the RSFSR Sergey Baburin told the news conference that a motion to impeach President Yeltsin had already been signed by 17 people's deputies. The collection of signatures is going on, however the alliance does not seek to have as may signatures as possible. Baburin recalled that the "risk of the establishment of an authoritarian regime prompted asking the Constitutional Court to remove the President for abusing his oath and the laws of the Russian Federation."

Mironov Addresses Parliament Defense Committee

PM0406154392 Moscow ROSSIYSKAYA GAZETA in Russian 5 Jun 92 First Edition p 2

[Russian Supreme Soviet Press Center report: "Dialogue Must Replace the Monologue in the Baltic Republics"]

[Text] The situation in and around the Northwestern Group of Forces [NWGF] is a topic of thorough and comprehensive discussion in the Russian Federation Supreme Soviet Committee on Defense and Security Questions. The Baltic region's problems have been examined from all manner of positions—General Staff, Navy Main Staff, Committee for the Protection of the State Border, international law institutions.

A report "On the Blueprint for Russian Federation Security in the Northwestern Region" was delivered by NWGF Commander Colonel General V.I. Mironov. There is no doubt, he stressed, that Russian policy in accordance with the Russian Federation Law "On Security" will be effective only when regional security blueprints have been elaborated and specific mechanisms for implementing them have been established. This is an essential condition of the reliable protection of the vitally important interests of the individual, society, and the state against internal and external threats. The key to stability and security in the region, the speaker said, is the thorough solution of problems on the basis of mutual understanding and cooperation among all interested sides and renunciation of efforts to "reduce dialogue to a monologue."

An analysis of the political, economic, and military situation and of the prospects for its development enabled the discussion participants to highlight Russia's permanent and temporary vitally important interests in the region and to outline ways and means of protecting them.

Committees Discuss Conversion Issues

PM0306081592 Moscow ROSSIYSKAYA GAZETA in Russian 27 May 92 First Edition p 1

[Report by Aleksandr Linkov under the rubric "At Supreme Soviet Committees and Commissions": "Brainstorming Session on Conversion Problems"]

[Text] The Russian Supreme Soviet committees on science and public education, industry, and power held a conference in the White House on conversion problems. It was noted that this process has been going on for four years, but there is still no clear-cut approach to it. Some favor a state program for the transition to civilian production, others say that the military industry is of no special value, so there is no need to expend so much effort on it.

What is the actual situation, then? Scientists, leaders, and defense industry experts were invited to the conference. The signs are that all is far from well. Some 70 percent of the former Union's defense industry is in Russia. The division into sovereign states has hit the military-industrial complex, breaking a multitude of economic links. The lack of a Russian military doctrine has sown confusion in the defense industry: what to produce and in what quantity? Orders for armaments have fallen sharply. The decline in production at defense industry enterprises has gone from 10 to 50 percent. Debts running into millions are on file.

What is the solution? Both the Supreme Soviet and the government are trying to find it. But all the measures require expenditure running into many billions—money which is obviously not there. The defense industry workers are not sitting twiddling their thumbs either. Yevgeniy Velikhov, vice president of the Academy of Sciences, cited in his speech the interesting case of the setting up of a joint-stock company to develop the continental shelf in the Barents Sea. They are expecting to get substantial credit from the West for that purpose. But the academician noted the strange attitude of certain parliamentarians. The Norwegians are also fighting to develop this shelf, and for some reason there are legislators in the Supreme Soviet who are opting for them. The president of the United States would do his utmost to support his own industry, not foreign industry, Velikhov said.

Will the brainstorming session on conversion organized in parliament succeed?

Resignation of Central Bank President Rejected

OW0506003092 Moscow INTERFAX in English 2336 GMT 4 Jun 92

[Transmitted via KYODO]

[Text] The Russian parliament has turned down the resignation tendered by the President of the Central Bank of Russia, Georgiy Matyukhin. Fifty eight voted the resignation, 88 against and 53 abstained.

After the voting Matyukhin told the members of parliament that the rules of appointing and dismissing the President of the Central Bank should be reconsidered. He said that the Central Bank President must feel secure against early dismissal in order to carry out reforms with confidence.

Law on Creation of Ingush Republic Adopted

LD0506110692 Moscow ITAR-TASS in English 1734 GMT 4 Jun 92

[By ITAR-TASS parliamentary correspondent Galina Vinitskaya]

[Text] Moscow June 4 TASS—Russian parliament has adopted a law "On the Creation of the Ingush Republic within the Russian Federation." The law was adopted as a result of proclaiming the Chechen Republic last year which made it necessary to adjust the legislature. The Chechen and the Ingush republics used to constitute a unified Chechen-Ingush autonomy in the former Soviet Union.

Accord Promotes U.S., Foreign Investment

LD0406120192 Moscow Mayak Radio Network in Russian 0900 GMT 4 Jun 92

[Correspondent Aleksandr Ruvinskiy report on the session of the Russian Federation Supreme Soviet—live]

[Text] Only one issue on today's agenda for the Supreme Soviet session has been examined so far: the ratification of the agreement between the Russian Federation Government and the U.S. Government on promoting investments. In fact, this agreement deals with insuring foreign investments, those of the United States in particular, in the Russian Federation's economy.

The Supreme Soviet ratified this proposal after some debate, although many deputies expressed doubts over the expediency of such an agreement. First, some of them believed that the Russian Gosstrakh [Main Administration of State Insurance] could have carried out these functions, although it is known that the Gosstrakh does not enjoy any special confidence in our state, even more so in questions of currency investments. Besides, there were some political motives present, as this agreement was ratified on the eve of the Russian president's trip to the United States. I will repeat, however, that the agreement has been ratified and that foreigners, in particular from the United States, can now opt to invest in Russia, the Russian Federation, in a bolder fashion.

The second important issue, which the parliament is examining right now, is a report from the Central Bank of the Russian Federation. Georgiy Gavrilovich Matyukhin, chairman of the Central Bank of the Russian

Federation, has already delivered the report, noting that he was caught off balance and forced to resign by three main problems.

The first is the problem of ready cash. The Central Bank repeatedly addressed the government on this issue at various times in the past, but no fundamental decisions were made. Matyukhin believes that the only real way to solve the problem of ready cash now is to freeze prices and wages until the payment issue is resolved; that is, until all debts are paid. He believes that increasing the capacity to print money is an dead end. He also considers the issuance of gold coins a dead end, as these will inevitably stay in the purses of the population and will not in fact be in circulation.

Another important problem which worries him now are nonpayments by various enterprises, which now total 2-3 trillion rubles. The Central Bank has its own ideas and proposals on how to solve this problem.

Furthermore, disagreements between the government and the Central Bank raise the issue of interest rates. The Central Bank believes that today's interest rates are unjustifiably low and do not correspond to the current rate of inflation in our country's economy. In fact, enterprises are being subsidized by the Central Bank, and this is unacceptable.

The chairman of the Central Bank was asked some curious questions, including the following. At Kabul airport, Deputy (Andronov) witnessed the landing of a Soviet plane which delivered 22 tonnes of Afghan money hot off the presses. The Central Bank chairman was asked: How is it possible to print money for another state—according to (Andronov), several planes landed at Kabul airport—when the state is experiencing a money shortage, giving rise to serious social crises in various regions of the country? This question has been just asked and we are waiting to hear the response.

'Many Applications' Expected

LD0406125992 Moscow ITAR-TASS in English 1219 GMT 4 Jun 92

[By ITAR-TASS parliamentary correspondent Galina Vinitskaya]

[Text] Moscow June 4 TASS—The Supreme Soviet of the Russian Federation ratified today an agreement on support to capital investments, signed between the Governments of Russia and the United States on April 3, 1992.

The agreement allows American investors to apply for services of a special U.S. governmental insurance agency—the Overseas Private Investment Corporation (OPIC)—for financial support to invest in Russia. OPIC will help them by insuring their ventures from political risks (nationalisation, unconvertibility of national currency, public disorders), and by granting direct loans and guarantees, primarily to medium and small business. The United States now has such agreements with 123 countries, including the states of Eastern Europe, China and the Baltic nations.

According to OPIC President Fidel Seider, the corporation now has many applications from American firms to insure and finance investment projects in the Russian Federation, including ventures to convert the defence industry to peaceful production. Thus, OPIC has already preliminarily considered and approved 37 applications, linked with more than one billion U.S. dollars worth of investment in Russia. This proves the earnestness of American business circles, wishing to invest their money in the Russian economy, and testifies to their interest in creating as quickly as possible proper conditions for such investment.

Reform Coalition Holds Parliamentary Conference

LD0206104292 Moscow Radio Rossii Network in Russian 0800 GMT 2 Jun 92

[Excerpt] The conference of the Reform parliamentary coalition is continuing for a second day in the White House. This is an association of deputies whose purpose is to promote economic, political, and social transformations, and who aim to create a democratic and law-governed state in Russia.

Today, they are continuing with their discussion on key questions of the development of the Russian Federation.

The conference will hear reports and accounts of plans for the movement's unification and for carrying out the reforms.

It also plans to adopt the coalition's rules and to elect a coordination council, ITAR-TASS reports. [passage omitted]

Draft Statement Issued

LD0206144992 Moscow Radio Rossii Network in Russian 1000 GMT 2 Jun 92

[Excerpts] The conference of the parliamentary coalition for reforms continues today at Russia's White House. Our correspondent Nikolay Artemyev has the details:

[Artemyev] [passage omitted] At 1200 today, the conference resumed its work. A draft statement on the crisis in the Supreme Soviet was read out from the platform on behalf of the coalition. The draft statement says that the decisions of the Sixth Congress of People's Deputies compel the body of deputies and Supreme Soviet to share responsibility for the reforms with the government. However, the Supreme Soviet is in practice refusing to carry out this role. There is no law on bankruptcy or privatization, and a ban has been placed on raising fuel prices, despite the demands of the oil workers themselves.

The draft statement lays the blame for this on Ruslan Khasbulatov, speaker of the parliament. The statement appeals to parliamentarians to return anew to these laws, otherwise there might be a serious political crisis and a return to a totalitarian form of government.

In such an event, the only lawful way out of the crisis would be a nationwide referendum on key issues of reform and the state structure. Therefore, the authors of the statement call on members of the Supreme Soviet to support the president if he should ask the Supreme Soviet to give him the right to initiate a referendum.

This fairly tough statement provoked a mixed reaction. For example, Nikolay Ryabov, chairman of the Soviet of the Republic, described it as an attempt to torpedo the reforms, not to implement them.

After the debate, it was decided to send the draft of this statement to the regions. Later, any suggestions and remarks will be incorporated.

National Referendum Supported

OW0206190492 Moscow INTERFAX in English 1810 GMT 2 Jun 92

[Transmitted via KYODO]

[Text] Since the 6th congress of people's deputies, the Russian parliament has actually been torpedoing the programme for economic reforms, the parliament's Coalition of Reforms concludes. Its statement says that confrontation between the parliament on the one hand and the president and government on the other, is manipulated by the parliament's chairman. The only way out, says the statement, is to hold a national referendum on the key aspects of the economic reform and state development.

The Coalition members urged the MPs [members of parliament] to support the president in case he appeals to the parliament for the right to initiate such a referendum.

The Coalition also came out against "uncontrollable appropriation of state resources, equipment and enterprises by the former party bureaucrats. The party 'nomenklatura', says the statement, is dangerously trying to build its own parliamentary and governmental lobby.

The Coalition stated that it did not juxtapose itself to the Russian parliament or its central bodies, but reserved for itself the right not to support those of the parliament's decisions and its leaders' actions which slow down democratic reforms in Russia.

Gaydar Promotes Increased Credits

LD0106184292 Moscow Radio Rossii Network in Russian 1100 GMT 1 Jun 92

[Text] A conference of the parliamentary coalition for reforms has begun at the Russian White House. Correspondent Nikolay Artemyev has the details:

[Artemyev] Following the opening words by People's Deputy Volkov, First Deputy Prime Minister Yegor Gaydar took the floor at the conference of this most influential faction. He spoke in detail about the economic and political situation in the Russian Federation and about the prospects in the near term. Characterizing the economic situation, Gaydar spoke about the serious crisis in payments. Enterprises undergoing a transformation to the market are facing the fact that [words indistinct] of noncash resources in mutual payments. The Central Bank has also found itself with problems in terms of payments. The time for processing documents there has increased fourfold to fivefold. Characterizing the situation in the Russian economy as a whole, Yegor Gaydar said:

[Begin Gaydar recording] The government has the following view on the situation: It is now possible, in principle, bearing in mind the existing situation, for a certain reduction and even a gradual fading out of the quantitative limits for credit resources. We are ready to increase the volume of credit. That is what is needed today.

Making a realistic assessment of the dynamics of prices, one can predict that they cannot fall sharply. At the same time, we are categorically insisting that in no case should the percentage rate be touched. We are shifting the stress in the control on money mass from quantitative limitations on the volume to normal market requirements. This means: Take money if you wish, but pay 80 percent annual interest. This should be done in order to stop undermining the incentive to maintain cash resources.

Recently one of the most profitable activities was simply to accumulate money reserves since inflation is progressing. The inflation rate is higher than the annual interest rate. Strictly speaking, there is no need for enterprises to do anything, to produce anything—all they have to do is accumulate reserves and then use them, which is enough to receive large profits. In no way should this situation be allowed to take place anymore. [end recording]

[Artemyev] The cash payment crisis is another serious problem. We all know this happens when our wages are delayed. Yegor Gaydar said that today an instruction was signed according to which 80 percent annual interest will be added for delays in paying wages. Yegor Gaydar revealed in his speech that an agreement has been reached with Ukraine that talks will begin this week on the introduction of its own currency. There is hope that the noncash circulation will be divided between our states from 1 July. Similar talks are being conducted with Estonia. Talks on this have also been planned with Lithuania and Latvia.

The first deputy prime minister said that the government intends to implement measures from 1 July to open up the economy, and that it intends to carry out the convertibility of the ruble for current financial operations. These are the main points of the speech made by Gaydar at a conference of the parliamentary coalition for reforms. The conference continues its work.

Khylystun Discusses Agriculture

LD0206210992 Moscow POSTFACTUM in English 1440 GMT 2 Jun 92

[From the "Domestic Market" section]

[Text] Moscow—Victor Khylystun: Despite all gloomy forecasts, the sowing campaign this year was more successful than last year.

On June 1, Victor Khylystun also said at a conference of the parliamentary reforms' coalition in the White House: Areas for the corn have increased by 800,000 hectares, areas for sunflower and sugar beets have become also bigger. No predicted complete crash of livestock farming has happened. The total number of cows has decreased by May 1992 as compared with May 1991 only by 4 per cent, that of the sheep—by 14 per cent, and that of the pigs—by 17 per cent. However, shortages of fodder have continued to aggravate. During the four months, 75 per cent of the volume of milk was produced as compared to the corresponding period of the last year, and 89 per cent of meat. Paradoxical as it may appear, even this decreased volume will not be sold due to the very high production costs and very low consumers' demand. In the minister's words, the popular opinion that prices for agricultural produce are too high is ungrounded.

Livestock breeding at present is everywhere either unprofitable or even brings losses, he said. Victor Khlystun determined three directions of the government's actions to alleviate the situation in agriculture: Granting of preferential credits state subsidies for some kinds of production, e.g., for meat (7 rubles for kg), for milk (2.3 rubles for liter) 50-per cent compensation of expenses of agricultural producers for fuel purchase and lubrication oils.

Opposition Resumes Attacks on Government

OW0306134392 Moscow INTERFAX in English 1309 GMT 3 Jun 92

[Transmitted via KYODO]

[Text] During the session of the Council of the Nationalities on Wednesday [3 June], leader of the Communists of Russia parliamentary faction Gennadiy Sayenko demanded on behalf of a group of MPs [members of parliament], that the question of "confidence to the government" and its early resignation for the failure in the domestic and foreign policies, be raised. He also urged the Constitutonal Court to consider the question of President Yeltsin's resignation "for betraying the national interests of Russia".

The demand was signed by seven MPs, including the leaders of the opposition Russian Unity coalition Sergey Baburin, Mikhail Astafyev and Viktor Aksyuchits. Sayenko informed IF [INTERFAX] that signatures under this demand were also being collected in the Council of the Republic.

Conference on 'Crisis of Authority' Held

PM2805150992 Moscow ROSSIYSKAYA GAZETA in Russian 20 May 92 First Edition p 1

[Parliamentary observer Robert Minasov report under "Government Hearings" rubric: "Crisis of Authority?"]

[Text] Yesterday most Supreme Soviet members were working in committees and commissions. However, the greatest call on the media representatives' attention was made by a conference on the theme of "The Parliamentary Crisis and Ways of Solving It," called on the initiative of the "Reform" parliamentary group.

Sergey Yushenkov, one of the conference organizers, noted not without bitterness prior to the start of the conference that maybe more journalists than people's deputies had gathered in the hall. Evidently many of them have no idea of the scale of the crisis that has broken out in parliament's activity.

Viktor Sheynis devoted his report to problems that have already arisen and those that will arise in the near future.

He noted that, whereas substantial adjustments have been made at a number of congresses of Russian people's deputies to all state power structures, parliament's activity has remained unchanged since 1988. That is, in its present form it considerably lags behind the demands of the time both functionally and structurally which the Sixth Congress of People's Deputies demonstrated.

Sheynis cited the campaign that has been launched to scrap the congress. He sees the solution as being to redistribute functions between the congress and parliament in favor of the latter, to change the standing orders [izmenit reglament], not to overload the agenda of the congresses, and to convene it once a year without committing it to considering any questions under the sun.

Sheynis spoke of the need to delimit people's deputies' field of activity and more actively to encourage them to participate in the Supreme Soviet's work. And if the congress is turned into a Supreme Soviet, it will be necessary to lower the quorum for adopting decisions.

There is also the idea of increasing both chambers' membership. But this is a tall order: As it is the present Soviet of Nationalities is constantly exceeding the time limit owing to the frequent lack of a quorum. Another option is to increase the quotas in committees and commissions.

The floor was given to Doctor of Economic Sciences Boris Strashun, a Constitutional Court expert. Experience shows, he noted, that referendums in our country are turning into a method of manipulating public opinion or, as a rule, that the questions are put in such a way that it is hard for a person to answer them unequivocally.

He considers it expedient to redistribute the functions of congress and parliament, the latter having the right to make constitutional amendments. The congress could be left to confirm top officials, judges, and the Supreme Court, and to adopt a new constitution.

Marina Salye, cochairman of the "Democratic Russia" movement, believes that society is turning away not only from congresses but also from parliament, the president, and the executive branch. We must raise the question of a crisis of an authority which has not yet elaborated a mechanism for implementing the economic reform.

Republican Party of Russia Cochairman Vladimir Lysenko stressed that parliament is undoubtedly experiencing a crisis. Parliament, in his opinion, must give up some of its powers to the executive branch, while the congress, in his opinion, could meet only once a year.

The conference will be held in two stages. The second will take place 26 May. It will formulate recommendations.

Regional Affairs

Ossetian Government Denies Secession Reports

LD0406141292 Moscow ITAR-TASS in English 1344 GMT 4 Jun 92

[By ITAR-TASS correspndent Valeriy Shanayev]

[Text] Vladikavkaz June 4 TASS—The press centre of the Supreme Soviet of the North Ossetian Republic has released the following statement: "In light of the serious aggravation of the situation in South and North Ossetia, some means of mass information are circulating rumours about North Ossetia's intention to secede from Russia. Their purpose is perfectly obvious. It is to further destabilise the situation in the region, to leave the peoples of multinational North Ossestia at this difficult period of time without Russia's traditional backing, to leave without control all the processes that now create a real threat to the security of the Russian state's southern borders. In light of this, the press centre of the North Ossetian Supreme Soviet is authorised to state that the North Ossetian Republic has not released any statements or done anything to rupture relations with Russia, anything that contradicts the Federal Treaty. This stand, in spite of the known socio-economic and political difficulties, is firmly backed by all the people's of the republic".

Reports Called 'Slanderous'

OW0506015192 Moscow INTERFAX in English 2337 GMT 4 Jun 92

[Transmitted via KYODO]

[Text] The information center of the parliament of the North Ossetian Republic has issued a statement today qualifying rumors to the effect that the republic intends to leave the Russian Federation as slanderous and aimed at depriving North Ossetia of Russian support and paralyzing its control of developments threatening the southern borders of Russia.

In South Ossetia there was no shooting last night. The bridge over the Liakhva River on the Kvaisa-Java road bombed down by Georgian helicopters a few days ago has been restored. Traffic has been resumed along the Transcaucasian Motorway.

Chairman Discloses Meeting With Yeltsin

OW0406142992 Moscow INTERFAX in English 1405 GMT 04 Jun 92

[Transmitted via KYODO]

[Text] Chairman of the North Ossetian parliament Akhsarbek Galazov told IF [INTERFAX] in an exclusive interview that on Wednesday [3 June] evening he met with the Russian president to discuss the situation in North and South Ossetia. Galazov informed Boris Yeltsin that North Ossetia is ready to lift the economic blockade from Georgia only after combat operations in South Ossetia are terminated. He said that Boris Yeltsin did not insist on an "immediate lifting of the blockade".

Gelazov also said that Georgia and Russia are drafting a joint statement on the political settlement of the conflict in South Ossetia. Such a statement can be adopted only following its approval by North and South Ossetia, Galazov stressed.

He believes that the problem should be solved gradually and that the success of the talks with Georgia will largely depend on its readiness to take part in solving the following problems: 1. Termination of combat operations in South Ossetia. 2. Guarantees for refugees' return to places of permanent reisdence. 3. The development of a long-term programme for the restoration of the ruined service complex. 4. The definition of South Ossetia's status as an autonomous republic belonging to Georgia.

Chechens Being Forced To Resettle in Russia

LD0106204392 Tallinn Radio Tallinn Network in Estonian 0600 GMT 1 Jun 92

[Text] POSTIMES [POSTMAN] reports worrying news received by Linnart Mall, president of the Organization of Unrepresented Peoples, from Chechen President Dzhokhar Dudayev, namely, the forced resettlement of Chechen people has begun in Russia. Nothing has been said about the reasons for this. The basis for the forced resettlement of Chechens is said to be however an order by Ruslan Khasbulatov, chairman of the Russian Supreme Soviet, who is of Chechen origin.

According to information provided by Dudayev, Chechens are being chased out of their homes both in towns and in rural settlements. Six Chechens have been killed in Barnaul, 37 have been beaten up in Moscow, with several of them now in a hospital's rehabilitation unit. Particularly cruel action has been taken in Stavropol kray, but those who were chased succeeded in getting away to the Chechen Republic.

In Groznyy a council of peoples has been set up by representatives of all peoples residing in Checheniya. Representatives of the Chechen Council of Peoples have been sent to those locations where Chechens have been chased out of their homes. Local authorities, however, have adopted a hostile attitude toward them and have no wish to assist them in finding out about any circumstances.

This is what was reported to Linnart Mall, president of the Organization of Unrepresented Peoples, by Chechen President Dudayev.

Chechen Republic Plans To Establish Army

LD0406175392 Moscow ITAR-TASS World Service in Russian 1542 GMT 4 Jun 92

[By ITAR-TASS correspondent Sharip Asuyev]

[Text] Groznyy, 4 Jun—The Checheniya Republic (North Caucasus) has the firm intention of creating its own regular army. This was announced this evening at a session of the republic's Council of Ministers by President Dzhokhar Dudayev. According to Dudayev, the army will have slightly more than 7,000 men. This number of soldiers has already been gathered during the spring call-up, and they are accomodated in the military camps left by Russian troops. I personally will take care of the equipping and supply of weapons and materials, Dzhokhar Dudayev said. Touching on the talks between Russia and Checheniya, Dzhokhar Dudayev said that all the attempts to begin parliamentary talks between the two sides have been unsuccessful because of the Russian Supreme Soviet's position which is unacceptable for Checheniya. Therefore, he noted, it is time to give up attempts to find a mutually acceptable language with the Russian parliament and move to contacts at government level.

Servicemen To Vacate Chechen Apartments

PM0206115792 Moscow KRASNAYA ZVEZDA in Russian 2 Jun 92 p 1

[Report by Colonel A. Viktorov: "Where Can Officers Go Now? General D. Dudayev Has Asked Servicemen To Vacate Apartments and Leave Republic"]

[Text] Groznyy—Dzhokhar Dudayev, president of the Chechen Republic and former aviation major general of the Soviet Army, has issued a ruling according to which all servicemen of the Groznyy garrison must vacate the apartments they are occupying and leave the republic by 1200 hours on 1 June.

Lieutenant General Ivan Strogov, first deputy commander of the North Caucasus Military District, is in Groznyy now. There is as yet no information about how his talks with the Checheniya leadership ended. But the situation in the city is quite tense. The garrison is confined to barracks.

Dudayev on 'Full Political Independence'

PM0406132992 Moscow KOMSOMOLSKAYA PRAVDA in Russian 4 Jun 92 p 1

[Interview with Dzhokhar Dudayev by A. Korzun, date and place not given: "Lines of Communications Better Than Lines of Fire"]

[Text] There has been a very strange relationship between Russia and the Chechen Republic since last November: Moscow officialdom, after introducing and hastily rescinding the state of emergency in Checheno-Ingushetia, has been pretending that nothing is happening in Checheniya, while Groznyy officialdom has been trying to show the whole world that the republic has achieved state independence. It was only in March that the first meeting of experts from the two republics was held in Dagomys.

[Korzun] A lot is being said in Groznyy about talks with Russia, but few can so far say for sure just what the Chechen Republic is after. What instructions has the president issued to the Chechen parliamentary delegation for the Moscow meeting with their colleagues from the Russian Supreme Soviet?

[Dudayev] The most important issue is to achieve full political independence.

[Korzun] Within the CIS?

[Dudayev] First we must achieve political independence. And then, I think, we will voluntarily join the CIS, with founder-member rights. But we should not be pushed or forced into it. It will be our voluntary choice, and it will be quite different from the idea of someone lassooing us and putting us in the CIS stable.

[Korzun] What kind of official relations do you intend to establish with Russia?

[Dudayev] It is one thing to establish relations, and quite another not to destroy those relations which already exist. We should not engage in confrontation or submit to provocation.

[Korzun] You seem somehow to have achieved mutual understanding with the current Russian leadership. If there were different leaders in place instead of the current leaders, would that change anything?

[Dudayev] Probably not. Who can accuse Gorbachev of not taking or not wanting to take the path of rule-of-law democracy at the start of perestroyka? The beginning was fine, accepted by all the Union's people, and picked up above all by democratic Russia. Equally, who can accuse Yeltsin? But if you analyze these past years you will realize that not a single state leader has freedom of choice, much less does he have freedom of action.

[Korzun] What is your attitude to Boris Yeltsin?

[Dudayev] Highly positive. At the current stage Yeltsin is just the kind of president Russia needs. A change of president and government today would cause a further deterioration in the economic and political crisis in Russia. So, quite honestly, I simply cannot understand the wave of provocation trying to stir up trouble in parliament. Why try to discredit your own president, even if he has made some mistakes? I'm talking about the demand to set up a commission to check into how much alcohol the president consumes—what the hell is that?

[Korzun] To what extent will the Chechen economy be independent of the Russian economy after the acquisition of political independence?

[Dudayev] The Russian economy simply forces us to cut ourselves off completely. We are firmly fulfilling our commitments to our partners. Output worth around 2 billion rubles has been dispatched from Checheniya to Russia under state orders. And at old prices, I would add. And we have not received a single ruble—even for paying pensions.

[Korzun] I read in the local paper that as of 1 June the government is planning to issue every family with free gasoline coupons for 30-50 liters per family member with the right to sell the coupons at any price, give them away, or bequeath them in a will. And irrespective of whether the family has a car or not. At that rate Checheniya could become a kind of Kuwait of the Caucasus—a small, rich state....

[Dudayev] Oil translates as "oil of all the people" in the Chechen language. And we decided that oil should be accessible to everyone. So we are now making preparations for each citizen of the republic to share in oil and petroleum products. Each citizen—from newborn babes to the very old—will receive a certain share every month. Approximately 300 liters will be allocated per family. If you want to, you can sell your share, or, if you like, you can turn it into a certificate and put it in the bank. And we will be introducing similar citizens' shares not only for oil but for all Checheniya's resources. By developing several mechanisms, we should soon be able to stabilize the economy—considerably reducing prices while simultaneously increasing output. We are also thinking about protecting our economic borders.

[Korzun] What about your own currency? I have spoken to an artist who has taken part in drawing up designs for the som—the Chechen currency....

[Dudayev] We should have our own currency too, but it is not a solution.

[Korzun] How do you intend to protect your independence, as declared in the republic's Constitution?

[Dudayev] We will do anything to preserve our independence, we will take the most extreme measures—I have said this dozens of times. There is no going back. [Dudayev ends]

The consultative meeting between the parliamentary delegations from Russia and the Chechen Republic has ended in Moscow. I was told at the Chechen President's press center that the sides once again failed to reach agreement.

Chechen Lawmaker Discusses Russian Ties

OW0406152692 Moscow INTERFAX in English 1406 GMT 4 Jun 92

[Transmitted via KYODO]

[Text] Speaking in Groznyy on local television on Wednesday [3 June], the Chechen Parliament member Shepa Gadayev has assessed as unsatisfactory the results of negotiations between groups of experts from Checheniya and Russia. In his opinion, a compromise has been essential and a bilateral federative treaty should be concluded but not like the one recently signed between Russia and the rest of its former autonomies. A treaty between Checheniya and Russia, Mr. Gadayev emphasized, should rest on equality, and relations between Groznyy and Moscow should be those between two sovereign states. The lawmaker feels Checheniya should cushion its line at the talks with Russia.

Mr. Gadayev argues that Checheniya will hardly benefit from confrontation with Russia. He cited the following example: apart from its own oil, Checheniya annually refines up to 13-14 million tons [as received] of oil, supplied from Russia. If this flow is stopped, the entire oil refining industry in Checheniya will blast.

Mr. Gadayev called for the formation in his Republic of a constructive opposition in the person of a Vainah Republican Party. He expressed confidence that such a party would gain popular support.

Sakha Deputies Condemn Attacks on Khasbulatov

PM0506101992 Moscow ROSSIYSKAYA GAZETA in Russian 4 Jun 92 First Edition p 2

[Statement by Republic of Sakha (Yakutia) Supreme Soviet: "Stop Driving a Wedge Between Legislative and Executive Authority"]

[Text] The peoples of the Russian Federation are going through one of the most dramatic periods in their domestic history.

The crisis in the economy and in the social and other spheres of public life is intensifying. The population's living standards are continuing to fall. The situation is aggravated by political instability in a number of neighboring CIS countries, in which shots are being fired, blood is being shed, and civilians are being killed.

Our society needs political and civil accord now more than ever before. It is the only possible way out of the difficult situation.

At the same time, one cannot help noticing the heightened activity of certain political forces seeking to destabilize the situation and weaken legislative and representative authority in Russia at all costs. Systematic use is being made of public platforms and the press to that end. All this could ultimately destroy the fragile consolidating process that has gradually begun to develop in the country since the Federation Treaty was signed and constitutionally approved.

The Congress of Russian Federation People's Deouties, the Russian Federation Supreme Soviet, and its chairman R.I. Khasbulatov have been subjected to massive and unprecedented attacks of late.

Dubious methods that ill befit a civilized society are being openly used in the process.

The Republic of Sakha (Yakutia) Supreme Soviet declares its solidarity with the Congress of People's Deputies and the Russian parliament—guarantor of political stability in the country—and its support for R.I. Khasbulatov's state activity, roundly condemns the forces that have unleashed the unbridled persecution, and demands that the destructive forces be halted by constitutional means and thus prevented from driving a wedge between legislative and executive authority.

We believe that constructive, objective criticism will help both parliament and government. It is very important that the spirit of mutual respect and businesslike cooperation should prevail in relations between parliament and government in the interests of the common cause. We are sure that the fate of the economic reform and the future development of the country on the path of creation are largely dependent on this.

Adopted at the 13th session of the Republic of Sakha (Yakutia) Supreme Soviet.

Yakutsk, 29 May 1992

International Affairs

Kravchuk Not Optimistic About Future of CIC

LD0406154392 Moscow ITAR-TASS World Service in Russian 1430 GMT 4 Jun 92

[By UKRINFORM-TASS correspondent Aleksey Petrunya]

[Text] Kiev, 4 Jun—Ukrainian President Leonid Kravchuk stated today that he does not feel any special optimism regarding the future CIS. The Commonwealth does not have any definite status or a mechanism for tackling problems, and the striving by its members for independence is not always taken into account, Kravchuk stressed in a conversation with former U.S. President Gerald Ford and former British Prime Minister James Callaghan who are in the Ukraine now.

It is possible that we need some kind of an association, a league where all members are equal, the president notes. At present the CIS is perceived as a new Soviet Union with Russia playing the leading role. It should not be like this as even the smallest of the former republics is as equal as the rest. Russia should not just officially recognize it, but should do everything possible in order for CIS members to be equal. But, unfortunately, Russia does not want this, he stated.

Kravchuk reported that there is no longer any tactical nuclear weapons on the territory of the Ukraine. As for strategic ones, the republic is ready to sign the treaty between the USSR and the U.S. on its reduction and elimination, as well as other documents leading to a nuclear-free world.

The Ukraine will be a member of the IMF, Kravchuk said, but it is unrealistic to hope that this will extricate the country from its crisis. We need help, but we should ourselves get out of the crisis and build our economy, the president stated.

Official Says Republic Not Ready To Leave CIS

LD0506061492 Moscow ITAR-TASS in English 0545 GMT 5 Jun 92

[Text] Moscow, June 5 TASS—With time Ukraine will "join Europe", but will do that together with Russia with which it is linked by common market and raw materials, according to a senior Ukrainian official. At present, Ukraine is not ready to split from the economy of the Commonwealth and orient itself towards Europe, Vladimir Grinev, Ukrainian deputy parliamentary speaker, said in an interview with the KOMSOMOLSKAYA PRAVDA on Friday [5 June].

"There have been so many unwise steps made in relations with Russia, that one gets dumbfounded", he added. Politicians from both countries worked poorly after their states gained independence, he believes. The formation of Ukrainian statehood is a question of a decade of years, and attempts to solve everything in one time are harmful, according to Grinev.

Compromise is necessary on the Crimean problem, but it should base on the main principle of Ukrainian territorial integrity, Grinev said. But the Crimean problem can also serve as a stabilising factor. When two powers arrive to the peak of tension and look down into the abyss in front of them, "eyesight and understanding" return to them, he added.

Deputies Reject Russian Decisions on Crimea

LD0406130792 Kiev Radio Ukraine World Service in English 0000 GMT 4 Jun 92

[Excerpt] Today Ukraine's parliament continued its work in Kiev. The parliament members adopted a statement in relation to the decisions of the Supreme Soviet of Russia concerning the Crimea.

The statement indicates that the Russian Federation is not the only successor of the former USSR. As was stipulated by the documents signed within the framework of the Commonwealth of Independent States, all the former Soviet republics, Ukraine included, as the successors of the former Union, therefore, the Russian Federation has no right to abrogate legal norms or acts endorsed by the highest legislative bodies of the USSR, especially as the act of Crimea's transfer from Russia to Ukraine took place in compliance with the constitution which was valid at that time.

The consideration of the issue on the legal status of the Crimea by the parliament of Russia is a direct interference into the domestic affairs of Ukraine because, in accordance with the current Constitution and the legislation of Ukraine, the Crimea is its autonomous part.

The resolution of the Supreme Soviet of Russia, points out the document, is a direct interference into the foreign affairs of Ukraine.

Demanding that Ukraine should refrain from any actions aimed at suppressing the free expression of the will of the Crimean population, the parliament of Russia denies the same right to the people of Ukraine and links the Crimean issue, the inviolability of Ukraine's borders and the preservation of its territorial integrity with such issues as Ukraine's policy within the framework of the Commonwealth, military policy of Ukraine and the Black Sea Naval Fleet issue.

The question on Ukraine's domestic and foreign policy must be solved by Ukraine itself, not the parliament of Russia. The Black Sea Naval Fleet issue is solved within the framework of bilateral negotiations between Ukraine and Russia. This is why the actions of Russia's parliament are nothing but an attempt at political pressure and an act of political blackmail in relation to Ukraine. The actions of the Russian parliament are assessed by the parliament of Ukraine as such that seriously affect friendly and good neighbor relations between Ukraine and Russia, endanger mutual understanding and trust, undermine international peace and security in Europe. Besides, such actions contradict the Helsinki Final Act of the Conference on Security and Cooperation in Europe which requires that all the states participants should conscientiously fulfill their obligations stemming from the international law.

The Supreme Soviet of Ukraine rejects the groundless demand of the Supreme Soviet of Russia to settle the Crimean issue by means of inter-state negotiations between Russia and Ukraine. The Supreme Soviet of Ukraine draws the attention of the countries, members of the CSCE, and also all the states of the world community to inadmissibility of a wait-and-see stand in case any territorial claims are put to Ukraine by Russia. Timely and effective response of the world community can stop those who instigate and ignite inter-ethnic hostilities in the Crimea, those who are trying to make Ukraine forcibly renounce its independence following the pattern of Karabakh, Dniester and South Ossetia. The wait-and-see policy and non-interference in such cases is nothing but a policy of encouraging the implementation of the Yugoslav variant on the land of Ukraine.

Ukrainian-Russian relations concerning the Crimean issue must be based and developed only on the principles of international law and equal dialogue, decreed the parliament members in their statement. This is the only way for ourselves and for Europe to preserve the spirit of friendship, mutual respect and cooperation between the peoples of Ukraine and Russia, reads the statement. Further on the deputies discussed and adopted the draft law on the Constitutional Court of Ukraine in its second reading. [passage omitted]

Parliament Adopts Law on Joining IMF

OW0406152892 Moscow INTERFAX in English 1406 GMT 4 Jun 92

[Transmitted via KYODO]

[Text] Ukraine will become a member of the Internaional Monetary Fund, of the World Bank for Reconstruction and Development and other international financial organizations. A corresponding law was adopted on Wednesdy [3 June] by the Ukrainian parliament.

Ukrainian MPs [members of parliament] stated that this law will help Ukraine get integrated with the civilized system of market relations. The document gives the Ukrainian prime minister the right to sign corresponding agreements with international financial organizations.

The Ukrainian parliament also adopted an appeal to the North Atlantic Assembly in view of "Russia's interference in the internal affairs of sovereign Ukraine and attempts to drag it into a territorial dispute". The document also urges to send a fact-finding commission to Ukraine and the Crimea to check whether Ukraine violates ethnic Russian's rights.

Russia, Ukraine To Cooperate in Space Research

LD0206110492 Kiev Radio Ukraine World Service in English 0000 GMT 2 Jun 92

[Text] Russia and Ukraine will unite their efforts in the research of the sun and around the earth space. An agreement to that course signed by their National Academies of Sciences envisages joint manufacture and launching of space laboratories of a new generation during the period from 1992-1994.

Besides, they plan to carry out joint research on board satellite Apex launched by Russia in December last year. During the past six months it transmitted unique data about the earth's magnetic sphere. The experiments to be carried out have both scientific and practical importance. In particular they will help improve radio and television communication means.

National Affairs

Deputies Group Demands Government's Resignation

LD0406195292 Moscow Radio Rossii Network in Russian 1900 GMT 4 Jun 92

[Text] The New Ukraine deputies' group, comprising 64 people, proposed to the republic's president in Kiev today to immediately start all-around consultations to form a new government. This has been reported by the ANI agency. The New Ukraine group, headed by Vladimir Grinev, vice speaker of parliament, spoke recently demanding the resignation of Vitold Fokin's cabinet. Democratic and national-radical opposition in Ukraine accuses the government of an unwillingness and an inability to conduct radical economic reforms. Demonstrators who were picketing the parliament's building today also demanded the government's resignation.

Restrictions on Certain Goods Lifted

LD0506055892 Kiev Ukrayinske Radio First Program Network in Ukrainian 0500 GMT 3 Jun 92

[Text] The president of Ukraine has issued a decree on introducing changes to the decree of the president of Ukraine dated 31 January, 1992 on Measures to Stabilize Prices and Halting Inflation. Restrictions referred to in Article 2 of this decree do not apply to products, goods and services that are subject to state regulation of prices and tariffs, to products and goods that are exported and also to those replacing imported goods.

They do not apply to new highly efficient products and to products manufactured by enterprises of the Republican Union of Fighters-Internationalists, public organizations who were participants of local and the great patriotic wars and their branches, the Ukrainian Society for the Blind, the Ukrainian Society for the Deaf, public organizations for invalids, where invalids form more than 50 percent of the general number of employees, and also those manufactured by enterprises and organizations of creative unions of Ukraine, the Ukrainian Athletic Society Dynamo and those created by this society for the purpose of carrying out statutory objectives. You can familiarize yourselves with the full text of the presidential decree in the press.

Suspicion of Security Service Said Unjustified

AU2205140592 Kiev MOLOD UKRAYINY in Ukrainian 7 May 92 p 2

[Commentary by Oleh Strekal: "Why Should One Have Respect for Ukraine's Security Service?"]

[Text] It is a sacred tradition for every conscious citizen to dislike or even hate the State Security Committee. Or else, one tends to regard the Security Service with disapproval and be skeptical about the possibility that it might have any virtues at all.

All the reproofs that scornfully or apprehensively expressed tend to focus on the malicious strengthening of the special service and the inheritance by it of ways that used to be characteristic of the State Security Committee.

Who profits from having a strong security service, critics ask with suspicion, believing that a strong special service necessarily implies political control over society. This is so despite the fact that Ukraine's Security Service has been placed under such strict control and is subjected to such powerful scrutiny that it will hardly be able to secretly pull the strings of power.

Let us now look at it from a different angle.

Who profits from having a weak Security Service?—this is a counter question asked by many operations officers who, as before, do not have anything to do with politics, but are rather dealing with mafioso groupings or foreign agents. They ask this question and quote interesting examples.

Why, for example, have deputies commissions been considering the laws on organized crime and corruption for over a year without adopting them? Without these laws, the law-enforcing bodies will continue to catch only the mafia small fry, even though they may seem to be big fish. At the same time, the organizers of crimes will merely gallantly shrug their shoulders during interrogations.

How about the laws on the protection of the witness? The person who in many cases is the only one who can testify is intimidated before the trial, and then, even in the courtroom, several guys will sit in the courtroom and cast unambiguous glances at the "voluntary helper of the investigators." Of course, this helper will deny his own words.

Having insured themselves a hundredfold against the "intrigues" of the Security Service, the deputies have approved the law on the operations and investigation activity, which authorizes the Security Service to use special methods (taping conversations, photographing with hidden cameras, and other hitherto unpublicized methods) exclusively with the Procurator General's permission. An officer who deals with organized crime has ridiculed this situation: Are we supposed to come to Kiev from all over Ukraine and stand in line to report to Viktor Shyshkin [Ukraine's procurator general]? How long do we have to wait—one month or two?

Yesterday's political prisoners are particularly irreconcilable in their attitude toward the new security service. They continue to see the image of the KGB, because they have experienced the ruthless power of the committee themselves. One can understand them in this case. It is something else that cannot be accepted. In Lvov, picketing of the oblast administration of Ukraine's Security Service was organized. The demand was to appoint one of the Horyn brothers [not further specified] as its leader. Of course, he is a good man, but he is not an intelligence officer. Ivan Plyushch [chairman of the Ukrainian parliament] was stormed into defeat and Vasyl Durdynets [first deputy chairman of the Ukrainian Supreme Council] gave in. The leadership of the service persisted and appointed a professional as its chairman.

What is wrong about the noble impulse of the Democrats? Well, they simply did not know that there were lots of weapons in the basement of the building and that, in event of a provocation, anything could happen. However, their cause was a noble one.

The trouble lies elsewhere. It is known that, during the mass disturbances, the crowd only smashed buildings of militia departments. However, the safes were ransacked by those who were vitally interested in what they contained and not by incidental people. It is also obvious that the sprouts of the mafia are finding their way into politics. The mafia takes advantage of the popular habit of surrounding the special service premises when called upon by the leader and trying to appoint someone approved by this leader. What kind of person can, in such a case, rise to various levels of administration with the help of "free laborers"? What a nonsense to consider precisely politics to be the most pure and the most ethical sphere and allow its representatives to press for anything they want!

There is an assumption that many people do not like the security service only when it begins to make references to the law in an unruly manner and act in an unexpected way. Some people ask, for example, why these organs have not so far imprisoned anybody for anti-Ukrainian conduct: for conversations about the secession of the Crimea and about territorial claims. The service is gradually showing the door to uninvited generals and similar visitors, asking them to leave Ukraine. However, it cannot institute criminal proceedings against many people, because the article of the code demands that a distinction be made between "calls for violence" and the right of the people to express their points of view. This does not suit some people who say: You are not being consistent, gentlemen.

In those cases when the mafioso fail to penetrate the service, even though they take advantage of spontaneous public action, ordinary nonspecialists will succeed and are already doing so. So far, there are not many of them, but a trend is clear. Things are not so good in the Security Service from the point of view of the personnel: Its officers staff is a little more than half of what was planned. Recruiting new people may involve new chances for corruption to expand. This is not all. The service needs super-professionals who know more about economics and finance than dealers do. Analysts who, unlike intuitive politicians, know what is going to happen tomorrow. Intelligence officers who could be naturally integrated into Western society without exposing themselves by their "Soviet countenances." In short, they must be honorable people. However, who is ready, today, to hold the officials of Cheka [Extraordinary Commission for Combating Counterrevolution and Sabotage] in esteem? Given such lack of respect for the Security Service, it may take a long time before thinking people start joining it.

Therefore, if the Security Service is weak, then the first word in its name is meaningless. What is bad about the situation is not the fact that it strives to be strong (in the framework of the laws!), but that it remains alone. It is the only and almost inaccessible pinnacle in a country where corruption has permeated everything. The security officer spends a lot of time and effort finding a reputable investigator to whom he can transfer a case. The militiaman is afraid to talk about his plans in the presence of his unreliable colleagues. There are too few investigation prisons in which a "big fish" may be held without fearing that he may be "done in," released, or brainwashed.

When some of the deputies asked earnestly why both the Ministry of Internal Affairs and the Security Service should deal with organized crime and suggested that they be united, such proposals only bewildered those people who know the situation. Well, let us unite, buy those who have not been bought yet and relieve those who have not been relieved yet—and the struggle against crime will take the form of a struggle for the division of joint profits.

Is it worthwhile, while trying to protect our society from unlawful actions on the part of special services by excessively cautioning against them and by mistrusting them, to render that same society helpless in the face of far more ruthless enemies?

Who gains from the weakness of the Security Service?

Prosecutors Hit Security Service Performance

PM0306105192 Moscow IZVESTIYA in Russian 2 Jun 92 Morning Edition p 2

[Report by Sergey Tsikora: "Ukraine: General Prosecutor's Office Charges Security Service with Lack of Professionalism"]

[Text] Kiev—The public charges leveled against the republic security service by the Ukrainian General Prosecutor's Office are a sign of an approaching heavy storm in parliament.

Why has the security service, which traditionally remains in the shadows, suddenly become the focus of public attention? The first match was struck by Rukh. Its executive body adopted a document in which, on the basis of the events in the Crimea, the security service is charged with "utter failure to protect Ukraine's interests."

This heated topic for the republic acquired a new resonance and twist during a meeting between journalists and members of the Ukrainian General Prosecutor's Office collegium. For the first time in many decades the prosecutors voiced highly critical comments on the security service's professionalism.

In answer to a question from your IZVESTIYA correspondent about the reason for the sluggish reaction by the republic prosecutor's office and security service to the stormy events in the Crimea, Ukrainian General Prosecutor V. Shishkin gave a thorough explanation of the situation prevailing there as of now:

"We are studying pamphlets and other material bearing the signature of the organization known as the Republican Movement of Crimea [RMC]. As is well known, the Ukrainian Supreme Soviet vested legislative power in the Crimean Supreme Soviet. It was in exercising this right that the Crimean Supreme Soviet passed the referendum law. From the standpoint of the provisions of this act the RMC has not gone beyond what is permitted. But the situation receives a quite different evaluation if the actual law turns out to contain errors. That is precisely the opinion of the Ukrainian Prosecutor's Office, which maintains that a number of paragraphs in the Crimean referendum law are at variance with the Ukrainian Constitution. An appropriate representation was made to the Ukrainian Supreme Soviet as early as February 1992."

We have now made a new representation, Shishkin went on to say. This repeated appeal by the General Prosecutor's Office is to be examined by the republic Supreme Soviet. If parliament deems our comments valid, then certain RMC actions will undergo reevaluation.

The Ukrainian general prosecutor then dwelt on the question of the possibility of criminal proceedings being instituted against specific people over the events taking place in Crimea. In this context he reminded people that a new wording of Article 62 of the Code of Criminal Procedure was passed in September 1991 which establishes penalties for calls to violate the territorial integrity of the state. Under the law responsibility for instituting proceedings for such acts is vested in the Ukrainian Security Service.

One of the republic security service's piquant secrets was made public by the members of the prosecutor's office. Ukrainian Deputy General Prosecutor Yu. Gaysinskyy, who has hitherto headed the commission investigating the actions of supporters of the State Committee for the State of Emergency in the republic, stated that "the prosecutor's office collegium harbors great doubts about the Ukrainian Security Service's professionalism. We have repeatedly invited its leadership to discuss the burning issues, including the Crimea, and have come to see that they possess no information whatsoever. We end up with no more information about what is actually happening in those spots than journalists."

The weakness of the present national security service was attributed by Gaysinskyy to the fact that previously its cadres were basically engaged in the surveillance of political adversaries. But even here the results were paltry. According to the prosecutor's statement, in the last 20 years the Ukrainian security service has not detected a single spy.

Its huge, classified budget has allowed the security service to lead a comfortable life and do nothing, the deputy general prosecutor went on to say. Nor has the picture changed with the accession of the new authorities. When the authorities have needed information to react swiftly to a situation, it turns out that the security system does not possess the necessary data, Gaysinskyy stressed.

Ukrainian General Prosecutor V. Shishkin spelled out his charges against the Ukrainian Security Service. He cited figures from the republic's draft budget for this year, whereby 13 billion rubles [R] is assigned to finance the security service, while the agencies of the Prosecutor's Office are allocated a total of just R1.7 billion.

Given that these figures were made public on the eve of a session of the Ukrainian parliament, which plans, on Tuesday 2 June, to examine the Russian Supreme Soviet resolution on the 1954 act on Crimea, discussion of this item will be stormy.

Socialist Party Publishes Paper in Sumy

LD2705042792 Kiev UKRINFORM in Ukrainian 1031 GMT 26 May 92

[By UKRINFORM correspondent Mykola Voronenko]

[Text] The first issue of the newspaper "VIDRODZHENNYA" [REBIRTH], by the oblast organization of the Socialist Party of Ukraine [SPU], has come out in Sumy. It contains an address to readers in which the political council promises to protect the social interests of working people and an interview with Oleksandr Moroz, people's deputy and head of the SPU political council. Also of interest are the article "Lenin Served People," a publication on privatization, and a historical and regional ethnographical sketch. The newspaper is published monthly in Ukrainian.

Byelarus

People's Front Abandons Parliamentary Politics

LD0406033692 Moscow ITAR-TASS World Service in Russian 1838 GMT 2 Jun 92

[By BELTA correspondent Vladimir Glod for TASS]

[Text] Minsk, 2 June—The opposition Byelarusian People's Front [BPF] has concluded that it should turn its attention from parliamentary activity to the creation of structures parallel to the existing government. This was stated in the "Report of the opposition BPF on the results of the 9th session of the Supreme Soviet of the Republic of Byelarus", which was published today.

It follows from the document that the ninth session "attested to the organizational and political strengthening of the former Communist nomenklatura. Concentration of the power of the old party bureaucracy around the Council of Ministers and a build-up of executive and legislative structures continue."

The report goes on to say that the conservative majority has effectively rejected a draft for the reorganization of parliament, a draft law proposed by the opposition on combatting corruption has been turned down and the law on privatization has not been adopted.

The following words from the document are also a grave reproach of the present government: "The lack of a concept for the state development of Byelarus is the result of more than low standards and an inability to think. The main concern of the old state bureaucracy is not the state but getting rich at the state's expense, self-interest and the redistribution of state property."

Byelarusian Military Draft Problems Examined

PM0306102992 Moscow KRASNAYA ZVEZDA in Russian 2 Jun 92 p 2

[Report by Colonel V. Kovalev: "Understaffing Expected in Troops"]

[Text] To all appearances, hopes that young people will pour into the armies which the sovereign states are creating for themselves are not being realized so far but the opposite is happening.

It is well known, for instance, that draftees from Byelarus will no longer be sent for military service outside the republic. All those who are drafted this spring will go to the units of the embryonic national army and strategic forces of the CIS. It would seem that the future soldiers now have no more concerns over the prospect of being in CIS "trouble spots." Nonetheless, at the very start of the draft campaign over 2,400 young men failed to appear on schedule at the military commissariats. That figure was announced by Colonel Anatoliy Krasnodubskiy, chief of the Byelarusian Defense Ministry staff organizational mobilization directorate draft department. In the spring of last year the figure was 4.5 times less.

"The draftees and their parents," Anatoliy Mikhaylovich says, "were probably provoked by the clause of the Republic of Byelarus military law 'on universal military duty and military service' on the new terms of service for soldiers and sergeants—18 months instead of two years, as before. The law was adopted only at the first reading and will go into force to all appearances only after the next session of the Byelarusian parliament. So the draftees have decided to wait a while, so to speak."

There are other reasons: the concept of "sacred duty and honorable obligation," which has been eroded in recent years, the military-patriotic education which has essentially been jettisoned, and legal uncertainty...

Meanwhile in the republic there is a shortage of draftees to swell the national army and the CIS strategic forces. Even if the draft plan approved by the republic's Council of Ministers is successfully fulfilled, units and subunits will have only 74 percent of the soldiers and sergeants they need.

Pakistanis Caught Attempting Border Crossing

LD0406154292 Moscow ITAR-TASS in English 1341 GMT 4 Jun 92

[By CRIME-PRESS correspondent Ivan Kuksa]

[Text] Brest, June 4 TASS—Border guards in Brest successfully halted 16 people, all citizens of Pakistan, trying to cross the border illegally.

The detainees confessed that they did not return home from Russia after their visas expired in April. Instead, they were looking for connections to illegally cross the border near Brest to reach Germany through Poland. There they planned to earn enough money "to take care of their domestic and social problems." They paid a guide 12,000 U.S. dollars to help them cross the border, and for three days prior to their arrest cautiously studied routes leading to the border.

According to Anatoliy Belousov, head of the unit who caught the aliens, the entire operation was completed at night in less than three hours. An inquest is being held to decide the fate of the unsuccessful travellers.

Ambassadors to Germany, Poland Approved

OW0506125692 Moscow INTERFAX in English 1112 GMT 5 Jun 92

[Transmitted via KYODO]

[Text] The Presidium of Byelarus' parliament has approved candidates for Byelarus Ambassadors Extraordinary and Plenipotentiary to Germany and Poland. The Head of the Parliamentary Commission for International Affairs and External Economic Ties Mr. Petr Sadovskiy, a member of the Supreme Soviet Presidium, will be Ambassador to Germany. The deputy Foreign Minister of Byelarus Mr. Vladimir Sinko will be Ambassador to Poland.

Moldova

'Fierce Fighting' Reported in Dubossary

LD0506090592 Moscow ITAR-TASS in English 0800 GMT 5 Jun 92

[By ITAR-TASS correspondent Valeriy Demidetskiy]

[Text] Chisinau, June 5 TASS—Casulaties were reported after fierce fighting took place between Dniester guardsmen and Moldovan police in Dubossary last night.

Two policemen were killed and three wounded in mortar and cannon shelling of the settlements of Cosnita, Cocieri and the town of Dubossary, the Moldovan Interior Ministry said.

The Dniester press centre reported that one guardsman was killed and two wounded after Moldovan police opened fire on a number of settlements in the Dubossary region.

Interior Ministry Denounces Dniester Arrests

LD0406120692 Moscow ITAR-TASS in English 1134 GMT 4 Jun 92

[By ITAR-TASS correspondent Valeriy Demidetskiy]

[Text] Chisinau, June 4 TASS—The Moldovan Interior Ministry denounced recent arrests in the Dniester region qualifying them as "terror unleashed by the Dniester leaders against political opponents".

The ministry said in a statement on Thursday [4 June] it has nothing to do with saboteurs in the Gagauz and Dniester regions of Moldova.

The Dniester and Gagauz authorities had earlier reported groups of saboteurs headed by Moldovan security officers were arrested in their regions.

One of the groups killed a policeman when it was seized in the town of Chadyr-Lunga.

Several days later several members of the Tiraspol branch of the Moldovan Popular Front, including its leader Iliy Ilasku, were arrested on charges of terrorism. Firearms, ammunition and military uniforms were confiscated during the arrest.

The investigation shows their actions were very similar to those staged in Chadyr-Lunga, according to Boris Luchik, the Tiraspol prosecutor.

He also said Ilasku had compiled detailed lists of leaders and activists of the Dniester region who had to be subject to repressions.

However, the Moldovan Popular Front protested the arrests qualifying them as "terror against its supporters".

14th Army Accused of Further Destabilization

AU0406192592 Bucharest Radio Romania Network in Romanian 1700 GMT 4 Jun 92

[Septimiu Roman report from Chisinau]

[Excerpts] A communique issued this morning by the Defense Ministry of the Republic of Moldova said that separatist paramilitary forces intensified their actions along the whole conflict line, especially around the village of Gura Bicului—where machine-gun fire, supported by artillery, was heard throughout last night—near Cocieri—where around 0200 separatist forces opened heavy fire, including with Alazan-type rockets, destroying the officers' mess of the defender unit—and near Roghi—where national defense force units came Under fire from Alazan-type rockets. [passage omitted]

The leadership of the 14th Army—under Russian jurisdiction—continues to be a destabilizing element of the situation, another communique, issued this afternoon, says. According to trustworthy sources, the general staff of the 14th Army organized military exercises that lasted over the last days of May and the first days of June, whereby its forces drilled on how to spread out along a line in the sector Cocieri-Dubossary-Cosnita-Tighina. During those exercises World War II methods and illustrative materials were used and examples of fighting techniques in the war, especially in that region, were presented to personnel.

Despite the fact that the decision concerning the withdrawal of the 14th Army from the territory of the Republic of Moldova was published and in spite of all efforts made by the republic's leadership to prevent the involvement in the armed conflict of that military unit, the leadership of the 14th Army has taken measures to bring up the units to full number, which is done by sending their officers over to Russia with the mission to recruit people for that purpose.

The 14th Army continues to send weapons and ammunition to separatists. Guardsmen are supplied with ammunition and military equipment each day, brought by trucks from the military depot near the village of Cobasa in Ribnita rayon. The transport documents of those deliveries are forged, the communique states. [passage omitted]

Army Warned on 'Further Involvement'

OW0506112692 Moscow INTERFAX in English 1112 GMT 5 Jun 92

[Transmitted via KYODO]

[Text] Moldova's Defence Ministry has declared that "in the event of further involvement by the 14th Army in fighting, regardless of form and intensity, such an act will be regarded as a follow-up to Russia's military aggression against independent Moldova, and to repulse it, all available Moldova army units and military hardware, ready for action, will be used".

The Defence Ministry's Statement was released in Chisinau on Friday [5 June].

According to sources in Moldova, 14th Army units have transferred with their command's knowledge thousands of pieces of arms and military equipment to Dniester's troops.

The Russian Defence Minister Grachev's statement that military experts recruited in Romania side with Moldova in the conflict and that military hardware is supplied to Moldova from a neighbouring state is regarded in Chisinau as "a wishful thinking and a clumsy attempt to justify its direct meddling in the affairs of an independent sovereign state".

Dniester Issues Statement on 14th Army

LD0406212392 Moscow ITAR-TASS in English 2043 GMT 4 Jun 92

[By ITAR-TASS correspondent Vladimir Gondusov]

Moscow June 4—"An atmosphere of hostility and animosity has been constantly whipped up around the 14th Army, which is under Russia's jurisdiciton, for a long time now," says a statement by the Dniester Supreme Soviet and government received by ITAR-TASS from Tiraspol on Thursday [4 June].

"Attacks on military units stationed in the Dniester region have become more frequent and the seizure of weapons, ammunition, equipment and property, the insult of servicemen's honour and dignity and the injury of their health are reported."

In this regard, the Dniester parliament and government state that actions causing physical, moral and material damage to the servicemen of the 14th Army will be evaluated as "the gravest crimes perpetrated to subvert good relations between the population and servicemen."

Dniester's Measures To End War Examined

MK0506102592 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 4 Jun 92 p 1

[Aleksandr Mnatsakanyan telephone report: "Dniester Region Issues Final Warning"]

[Text] The evening before last (2 June) the Dniester Moldovan Republic Supreme Soviet finally adopted a document which has been "up in the air" recently. After long debates over whether to declare full sovereignty or wait a while, the Supreme Soviet produced a resolution entitled "On measures to end the war and establish peace." At first glance it seems that some points in the resolution contradict others. For instance, initially it talks about a sovereign independent state, then it proposes that the Moldova parliament examine the question of a federal system at its 9 June session.

In fact, this document is essentially an ultimatum, as Grigoriy Marakatsa, chairman of the Dniester Moldovan Republic Supreme Soviet, indirectly confirmed to your NEZAVISIMAYA GAZETA correspondent:

"We consider it expedient to preserve Moldova as a unified state. But only on a federal basis, with equal partners and equal opportunities. The functions to be delegated to the federal government can be stipulated afterward. But unless we receive an answer 9 June or if we receive a negative answer, we will not be able to put any more proposals to Moldova. Then we will form our own sovereign, independent state."

As of yesterday there had been no official statements from Moldova. Nevertheless, it is known roughly how they will respond: The Supreme Soviet resolution, like all those before it, is unconstitutional; the attempt to form an independent state on another independent state's territory does not fit any international norms; and, but for the 14th Army, the Dniester region would have had nothing to say.

It is not yet known whether the Moldovan parliament is going to raise the federation question at all. Given official Chisinau's usual reaction to such actions by the Dniester region, renewed bloodshed can be expected in the near future.

Divergent Reports on Romanian Arms Supplies

PM0406123592 Moscow KOMSOMOLSKAYA PRAVDA in Russian 4 Jun 92 p 1

[A. Khantsevich report followed by V. Filin commentary under the general heading "Truth About Tanks In Question"]

[Text] Russian Defense Minister Pavel Grachev's claim that Romania has supplied a consignment of tanks to Chisinau was immediately denied by the Moldovan Foreign Ministry. The arguments are as follows: According to information received by the republic's Defense Ministry, the Moldovan Army does not currently have any tanks. Yet at the same time the Foreign Ministry confirmed that pontoons had arrived from Romania to build crossings over the Dniester.

There is a different point of view in Tiraspol. It was reported at 14th Army Headquarters that, according to intelligence information, the Moldovan Armed Forces already have around 100 tanks, 200 armored personnel carriers [APC's], and "Grad" and "Uragan" rocket launchers. Shtefan Kitsak, commander of the Dniester Region Army, was more definite when he spoke to me: "My people followed a trainload of tanks from the very border with Romania."

Our Commentary

The chief of the Chisinau Border Detachment told me over the telephone that, throughout the conflict in the Dniester Region, the border guards' checkpoint has "quite officially" allowed into Moldova from Romania

20 BTR-60PB's with their standard armaments (a 14.5-mm heavy machine gun and a 7.62-mm Kalashnikov tank machine gun—Editor).

If Russian Defense Minister P. Grachev had this equipment in mind when he talked about weapons being supplied to Moldova from Romania, then, clearly, he was right. If he was talking in general terms about systematic supplies of weapons to Moldova from Romania, then, it seems, he was wrong.

The old and underpowered (two GAZ 90-horsepower engines) but entirely combat-capable APC's are not enough even for an understrength battalion, the pontoons are in principle capable of providing a crossing in some narrow area. Theoretically all this is not very necessary for defensive warfare. But it would be very handy for an assault.

That is, provided that no account is taken of the combat capabilities of the 14th Army units and subunits—which could enter the conflict (tut, tut)—if officers' families and the lives of servicemen were at risk. Then all the APC's would be just matchboxes, as would the pontoons, incidentally.

Weapons Reportedly Freely on Sale in Chisinau

LD0106091292 Moscow ITAR-TASS World Service in Russian 0244 31 May 92

[By ITAR-TASS correspondent Fedor Angeli]

[Text] Chisinau, 31 May—An AK-47 machine gun is on sale in the Moldovan capital for 80-150,000 rubles, and a grenade-thrower costs 50,000 rubles. This is reported by the Moldovan parliament's mouthpiece, (SFATUL TSERIY).

Citing what it calls competent sources, the newspaper writes that the weapons are illegally coming in both from outside the republic and also from the Dniester Region. The newspaper asserts that a significant number of the weapons in Chisinau are being circulated by people interested in seeing an escalation of the situation in the Dniester Region.

Mosanu Opposes 'Federalization' Proposal

OW0306133792 Moscow INTERFAX in English 1255 GMT 3 Jun 92

[Transmitted via KYODO]

[Text] Chairman of the Moldovan parliament Alexandru Mosanu told the presidium on Tuesday [2 June] that he opposed the idea of achieving peace on the Left Bank by the federalization of Moldova.

On Tuesday, the Dniester parliament offered the Moldovan parliament to conclude a federation treaty for "Preserving a single economic and socio-cultural entity." The Dniester parliament also offered to cease fire in the Left-Bank conflict zone and remove the armed formations of the conflicting sides to the places of permanent dislocation.

According to sources close to the Dniester Republic's president, the Dniester deputies who have not taken part in the work of the Moldovan parliament for two years have agreed to resume their work in it on the condition that the federal set-up of Moldova is discussed.

Meanwhile, according to reports from Chisinau and Tiraspol, last night there were sporadic exchanges of fire in the zone of the armed conflict.

Economy Improving Despite Difficulties

OW0206223292 Moscow INTERFAX in English 1914 GMT 2 Jun 92

[From the "Presidential Bulletin" feature; prepared by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin; edited by Boris Grishchenko; transmitted via KYODO]

[Text] "Despite enormous materal losses inflicted on the Republic as a result of the Dniester conflict, Moldova's economy has been on the rise last month." President Mircea Snegur revealed in his Monday [1 June] night appearance on the national TV. In his words, the increment of the national income in April rose by 7 per cent against March. The situation has also been improved in industry, and the agricultural works this spring have been largely conducted as planned. The Republic has managed to insure relative stability in fuel and power supply, and in food products, although Moldova too had to suffer from the CIS energy crisis, he emphasized.

Mircea Snegur informed that in the near future the parliament will address the government program envisaging a number of measures aimed at stabilizing the economy and realizing the reforms. In the words of the Presidents the Republic has considerably strengthened its legal base required for the transition to the market economy. In particular, the government has adopted a package of laws on private property, privatization, private enterprise, external economic relations, foreign investments, bankruptcy, antimonopoly policy, competition and the banking business. "In order that all these measures could not be only on paper," Mr. Snegur said, "we are working on the ways to coordinate the efforts of the representative and the executive bodies".

In the President's opinion, the complexity of the situation is predetermined by the objective factors, such as the Republic's 21 excessive dependence on the unpredictable economic policy pursued by Russia, as well as by our import of fuel and raw materials. Our people also have to bear the brunt of the war imposed on us by the foreign army". The industrial enterprises of the Dniester's Left Bank which comprise nearly 37 per cent of the Republic's industrial potential have been disabled, the head of state noted. Under these conditions he deems it highly important to undertake practical steps to ensure stability of the Republic's financial situation, expedite the reforms, and create the private sector and the market.

The president made a critical analysis of the errors committed during the country's transition to the market economy, emphasizing the exigency of re-assessing the efficiency of the economic leverage. The Republic's taxation system is too inflexible in many respects, he admitted. It inhibited the formation of the anticipated budget in the first quarter of the year; moreover, the unreasonably great taxes seriously affected the incomes of the enterpriese, obstructing their development and the updating of their production capabilities. Beside a number of extraneous factors the price hike, in his opinion was stipulated by the excessive taxation, which was bound to negatively reflect on the consumer.

"Moldova is vying for leadership with the CIS countries as regards the prices for a number of food products and consumer goods", Mircea Snegur remarked. He informed the audience of the new concept of the taxation system currently under development. He pledged to rescind the surplus tax for the children's ware produced and sold in the Republic. The concept also envisages a decree of allocations to the social security fund: in agriculture from 37 to 30 per cent, in industry from 60 to 45 percent.

Snegur on Economic Measures

OW0306184792 Moscow INTERFAX in English 1720 GMT 3 Jun 92

[From the "Presidential Bulletin" feature; prepared by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishin; transmitted via KYODO]

[Text] At his meeting with journalists, President Mircea Snegur spoke on the necessity to speed up the process of privatization in the republic. According to him, in the near time the parliament is to discuss a submitted programme of privatization. The President believes that "privatization presents a zone where one can make an error only once but forever".

The head of the state also underlined that foreign relations are the main reserve in normalizing the economy. He said that concrete measures are undertaken over the last time for their broadening and effective utilizing. They include abolishing of quotas and licences for export of goods, products and services to the CIS states, permission to conclude direct agreements and open shops, simplifying the mechanism of registration, lowering the percentage of currency funds' allocation to the monetary fund, etc. According to Snegur, economic and trade agreements with Romania, US, Canada, Israel, and other countries are expected to be signed in the near future.

The President considers that "we shall replenish the budget, enrich the consumer market and consumer basket by helping the producers and creating conditions for the development of minor business and foreign investments". He says that at present 70% of the budget are allocated for the social needs and to this expense the stability of prices for certain products and goods retains.

Speaking on the governmental measures on the social security of the population, Snegur said that it is planned to recalculate the pensions and to increase the students' stipends. "Notwithstanding hard conditions, budget deficit, and other unfavorable factors, we shall solve these problems by any means", he underlined. The President also noted that "the efforts being undertaken can diminish the negative consequences of the communist crisis but bring no guarantees on the way to its abolishing".

New Rubles To Circulate in Jun

LD0206120692 Moscow ITAR-TASS World Service in Russian 1040 GMT 2 Jun 92

[Text] Chisinau, 2 Jun (MOLDOVA-PRES - TASS)—New rubles, special 200-ruble notes which will be valid only on the territory of the republic, will go into circulation in Moldova as early as the second half of June. Moldova President Mircea Snegur announced this on national radio and television. He described this as an enforced measure prompted by the catastrophic shortage of cash.

The president pointed out that in spite of the 1.5 billion rubles in cash allocated to Moldova by the Russian Central Bank, there are not enough rubles to pay the population's salaries. According to Mircea Snegur, experts have come to the conclusion that it is still too early to put a national currency, the Moldovan lei, into circulation.

VAT on Gas Lowered

LD0206214592 Moscow Mayak Radio Network in Russian 1700 GMT 2 Jun 92

[Text] Moldovan President Mircea Snegur today signed a decree lowering the VAT on gas sold for domestic use. As of 1 June, it will be 14 percent. The decree notes that this measure was taken with the aim of providing social protection for the republic's citizens during the liberalization of prices and in connection with the increase in the price of gas.

Kazakhstan

Nazarbayev Statement on Strategy Examined

92US0495A Moscow NEZAVISIMAYA GAZETA in Russian 19 May 92 p 3

[Article by Vladimir Desyatov: "Nazarbayev Promulgated His Own Concept: How Will the Words of the President Compare with the Deeds of His Subordinates?]

[Text] **Kazakhstan**

On 16 May the republic press of Kazakhstan published Nursultan Nazarbayev's program of work "Strategy for the Formulation and Development of Kazakhstan as a Sovereign State." On four newspaper pages, the president sets forth his vision of today's problems in the republic and the prospects for their resolution. Priority objectives for both internal and foreign policy are denoted. A strategy for economic and social development is outlined, and a general understanding of national security and military doctrine is presented.

In the political sphere, a policy is proclaimed for the formation of strong presidential authority, the development of a multiparty system, and the support of stability as the main condition for the successful implementation of economic reforms, which imply the formation of a strong market economy, movement toward which the author of the work conditionally divided into three stages:

First: Three years—a period of normalization of the consumer market.

Second: Seven to 10 years—surmounting the raw materials nature of the economy and developing the infrastructure.

Third: Five to seven years—dedicated to becoming one of the new industrial countries.

All this is viewed as "a social contract between the authorities and the people which is dictated by the times, but on the condition that both sides scrupulously fulfill all their obligations in its implementation."

Nazarbayev returns several times to the question of the need to introduce a national currency in Kazakhstan, each time citing impressive arguments in favor of such a decision.

A long section is devoted to the sphere of social development and everyone's well-being: children and pensioners, and the able-bodied and disabled population. Priority is given to the creation of a social cushion for the poor strata and the provision of social guarantees for the unemployed.

Military doctrine proclaims the priority objective to be the preservation of peace and the aspiration of the republic to achieve the status of a nonnuclear state, and it recognizes as an unshakeable principle the inviolability of established borders and noninterference in the internal affairs of other governments. The formation of an army of the Republic of Kazakhstan should be accomplished in a short time. It will consist of: ground forces, air forces, air defense troops, and naval units. Its manning will be accomplished on the principle of territoriality on the basis of universal military service and voluntary enrollment in the service on contract.

The following directions in the strategy of foreign economic relations are designated equal: the CIS, Asiatic-Pacific Ocean region, the Asiatic (Turkey), the Arabian East, European, and American. The objective of overcoming the raw materials tendency of the republic and the establishment of complete technological complexes is designated a task in foreign economic policy. "We must take this path if we seriously want to raise ourselves from our knees and live normally," Nazarbayev says in conclusion.

If the republic implements everything that is planned by its president, it will not only lift itself up from its knees but will also take an enormous step forward. However, the question is: Will the sound ideas of their president become guidance for action for the practical workers of the state apparatus and for all those upon whom their realization depends? Unfortunately, until now this has not happened, and the words of the president and the deeds of his subordinates have not coincided.

Supreme Soviet Approves New State Symbols

LD0406220592 Moscow ITAR-TASS World Service in Russian 1435 GMT 4 Jun 92

[By KAZTAG correspondent Tatyana Zhurbenko for TASS]

[Text] Alma-Ata, 4 Jun—A session of Kazakhstan's parliament today approved the sovereign state's new symbols. The state symbols of the republic are now the following: The main artistic elements of the gold-colored coat of arms are epic winged horses, the dome of a yurta [nomad's tent], and the name of the republic in Kazakh—"Kazakhstan." The flag is a rich light blue in color with a red Kazakh ornamental design and a gold sun framed by the wings of a golden eagle. The national anthem has the same tune as before with new lyrics.

Kyrgyztan

President Briefs Unions on Economic Development

OW2805183192 Moscow INTERFAX in English 1545 GMT 28 May 92

[Prepared by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin; edited by Boris Grishchenko; from "Presidential Bulletin"; transmitted via KYODO]

[Text] "Trade Unions have failed to become a school of communism, but they could become a school of social market economy", Mr. Akayev declared at a meeting with the leaders of the Republican Trade Unions Federation.

The President assured that all government's market-oriented programs in Kyrgyzstan would be geared "to the population's social security." In Mr. Akayev's view, the position of the Kyrgyz Trade Unions Federation contributes to social stability in the Republic. The Unions have on the whole succeeded in preserving the solidarity and unity and in maintaining a restrained and constructive dialogue with the government, a dialogue free of calls for rallies and strikes.

Mr. Akayev believes it's essential to speed up efforts to get an agreement signed between the Cabinet and Trade Unions to work out a mechanism for closer cooperation and for consultations on major social issues. The President urged the need for assistance from the Trade Unions to the Government above all in restructuring production relations "since the bulk of the working people are living by the former philosophy and are marching with a new song but down the old trail".

As the system of state trade has become a source of blackmarketeering and corruption, Mr. Akayev appealed to the Unions for help to set up a civilized network of trade and the distribution of goods, reaching the Republic through foreign credits.

Former Party Chief Returns to Political Stage

PM2705155692 Moscow ROSSIYSKAYA GAZETA in Russian 26 May 92 First Edition p 7

[Valeriy Kuklin report: "Once There Was a Party: The Partyocrat's Soul Does Not Grow Old..."]

[Text] It will soon be a year since the August events cut short the existence of the Kirghiz Communist Party. In those days Amanbayev, first secretary of the republic Communist Party, on behalf of the Kirghiz Communist Party, declared support for the group of Moscow plotters and called on the republic's inhabitants to restore the old order in the USSR. After the suppression of the putsch in Moscow, it was announced in Bishkek that Amanbayev and a group of his supporters were under investigation, and possibly would go on trial later.

Here is the news: Amanbayev is returning to the political stage. He has been elected people's deputy of the Republic of Kyrgyzstan for Dzhety-Oguzskiy Territorial District, and has already made a statement roundly criticizing the policy of the present president, Askar Akayev. In particular, as a former party apparatus worker he cannot understand the present government's desire to carry out privatization of the land at a fast pace. "Land is not livestock," he states, "it is not easy to share out the land."

Meanwhile the spring has well and truly gripped the Kyrgyz farmer by the throat. The few hectares of irrigated land are mainly worked by collective farms, which have a machine and tractor pool, fuel, and seeds. The lone farmers (where they have appeared) have begun to form cooperatives in order to complete the sowing, as they used to say in the old days, "on time and without losses." They have begun to listen more carefully to what is being said by Amanbayev, as well as others who advocate the socialist method of land management.

Akayev's position is still strong in the countryside, because a number of his decrees in support of the herdsmen won people over to his side. But will these documents work, in the context of market relations? Because however you look at it, the privileges granted to herdsmen were based primarily on the fact that only recently the state could calmly supply the chosen few with scarce commodities by means of totally depriving the rest of the population of these products. In the present situation this could prove impossible. On the other hand, the republic's pasture lands are extremely poorly inventoried, because of the lack of roads and the inaccessibility of the very best summer pastures. These lands will have to be privatized and shared out on the basis of maps more than 10 years old. The herdsmen, knowing the real state of affairs (overpasturing, the concealment of land, and so forth), are already expressing dissatisfaction over the pace of privatization.

All this gives hope to the former party workers, who, like their former leader Amanbayev, are either retaining deputies' seats at various levels, or participating actively in elections for vacant seats. A. Akayev and his entourage are doing nothing to hinder their ideological opponents, because life has taught them all that the notorious pluralism of opinion really plays into the hands of democracy.

Sooner or later life will, of course, have its own way. But people should know that it is, after all, necessary to fight for the best system in society and to support those who advocate it.

Tajikistan

Situation 'Tense' in Kurgan-Tyuba Area

OW0306174992 Moscow INTERFAX in English 1614 GMT 3 Jun 92

[Transmitted via KYODO]

[Text] The Tajik Interior Ministry reports that conditions in Kurgan-Tyuba in southern Tajikistan remain tense. The conflict between supporters and opposers of the new government continues. As before talk has circulated of voluntary surrendering of weapons, but no one has laid down their arms as yet.

An ultimatum came from the Vakhshskiy region: Force the Chairman of the Defense Committee General Bakhrom Rakhmanov to step down, disband the national guard, and hand over two armored personnel carriers currently controlled by the Interior Affairs office of the district to the Commonwealth forces. Only after these conditions are met the opposition to the new government will discuss handing in their weapons. Our correspondent reports that this caused dissatisfaction among supports of the government who demanded that the authorities use the forces to confiscate the weapons.

Defense Force Formed in Kulyabskiy District

OW0306175092 Moscow INTERFAX in English 1613 GMT 3 Jun 92

[Transmitted via KYODO]

[Text] A united defense force, designed to unite the uncoordinated armed units of the police was formed in the Kulyabskiy district of Tajikistan by a resolution of the district executive committee. The force will be controlled by the Chairman ot the district executive committee Mirzoaliyev, the Tajik Interior Ministry reports.

This step was explained by the attempt to block any criminal acts and prevent provocation, violence, despotism, sabotage, and terrorist acts. A special account was opened for contributions to the defense forces.

Constitution Previewed; Presidential Powers Eyed

OW0306185092 Moscow INTERFAX in English 1721 GMT 3 Jun 92

[From the "Presidential Bulletin" feature; prepared by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishin; transmitted via KYODO]

[Text] The draft of Tajikistan's new basic legislation has now been published in the capital Dushanbe. Below are some of its provisions relating to the country's presidency.

Under the draft, president is both head of state and government. The cabinet includes president, his vice-president, state secretaries for foreign and internal affairs, ministers and chairmen of government committees.

President is elected by direct and secret ballot for a tenure of 5 years, but not for more than two successful terms.

The candidate must be at least 35 years of age, of Tajik descent, entitled to political and civil rights, and have no less than 10 years of permanent residence in the republic.

Political analysts in Dushanbe raise doubts about an early adoption of the constitution followed at once by presidential elections as enshrined in the basic legislation.

Experts say it is unlikely that political leaders and the population of Kulyab and Leninabad districts will easily succumb to being defeated by opposition forces, and swaying, they say, president Rakhman Nabiyev in their own favour.

The government in Dushanbe is said to have received messages from the two rebel districts refusing to recognize both the government of national reconciliation and the national majlis (parliament).

At the same time, the Constitutional Supervision Committee published its verdict confirming the legitimacy of the president's decrees on the dismissals of two officials, vice-president Narzullo Dustov and the speaker of the parliament Safarali Keniayev as well as the formation of a new government and legislature.

Country Not Ready To Become Islamic State

OW0406155692 Moscow INTERFAX in English 1407 GMT 4 Jun 92

[Transmitted via KYODO]

[Text] Tajikistan's Vice-Premier, Davlat Usmon, a Deputy Chairman of the Islamic Revival Party IRP, believes that the Republic is not yet ready to become an Islamic state. In an interview with an "IF" [INTERFAX] correspondent, Mr. Usmon shared the view of the Republican Muslim clergy leader Hadjiakbar Turadzonzody that "the decades of communist rule have killed the trust of many people in God and they would apparently take more than a year to accept the idea of Islamic Republic on their own".

Mr. Usmon flatly refuted the reports that have appeared in the Republic that IRP's militia have illegally crossed into Afghanistan to acquire weaponry and ammunition there.

Turkmenistan

Aide Remarks on Relations With CIS States

MK2605163592 Moscow KOMMERSANT in Russian No 21, 18-25 May 92 p 22

[Unattributed report: "Turkmenistan Willing To Cooperate With Other CIS States"]

[Text] Contrary to press reports, the Turkmen leadership did not sign the treaty on collective security when the CIS heads of state met in Tashkent, preferring to first discuss with Moscow questions of the status of military formations stationed in Turkmenistan and also the republic's part in paying the Union's external debt.

Nevertheless, Anatoliy Sokoltsov, the republic's deputy permanent representative in Russia, remarked during a conversation with your KOMMERSANT correspondent that there is no real foundation to the rumors that Turkmenistan has allegedly given up its share of the former Union's gold and diamond reserves, along with its share of other states' debts to the Union, in return for the republic's being exempted from paying the Union's foreign debts. "It is only a matter of separating the foreign debt and assets abroad," Sokoltsov said. In his opinion, at a meeting with Gennadiy Burbulis, the Russian president's state secretary, in Moscow 20 May the Turkmen delegation put forward a positive program, suggesting that an agreement on joint armed forces be signed. Turkmenistan's foreign political activity increased after the Turkmen Supreme Soviet session 18 May adopted the republic's Constitution. The Constitution makes provision for a presidential form of government, proclaims private ownership of the means of production and land, and enshrines basic democratic values.

Law Enacting Constitution Goes Into Effect

OW2005190792 Moscow INTERFAX in English 1606 GMT 20 May 92

[Transmitted via KYODO]

[Text] In Turkmenistan Monday [18 May] a law on enacting the Constitution of the republic went into effect. The former Constitution of the Turkmen Soviet Socialist Republic of 1978 was declared inactive.

The process for introducing the Constitution is stipulated by the law. In particular the Committee of State Control was dissolved. The following regions are formed: Akhalskiy, (including the former Ashkhabad district), Balkanskiy, Dashkhovuzskiy, Maryiskiy, and Lebapskiy (formerly the Chardzjevskaya district).

Details of the law can be found in "Presidential Bulletin" May 21.

Cooperation Agreements With Russia Examined

OW0206195892 Moscow INTERFAX in English 1915 GMT 2 Jun 92

[From the "Presidential Bulletin" feature; prepared by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin; edited by Boris Grishchenko; transmitted via KYODO]

[Text] Turkmenistan President's press service officials inform the Interfax correspondent that they have been alerted to "be ready for a probable trip to Moscow". Apparently the meeting of the Russian and the Turkmenistani presidents which envisages the signing of friendship and cooperation treaty between the two countries and an agreement on the status of the CIS troops stationed on the territory of the republic will be held in Moscow rather than in Ashgabat, as was planned earlier.

The Republic's Minister of Foreign Affairs Abdy Kuliyev in an interview for republican daily "Turkmenskaya Iskra" ("Turkmenian Spark") said that Turkmenistan intends to develop its relations with Russia, proceeding exclusively from the pragmatic reasons, trying not to overburden them by any romantic expectations or pledges". The Minister also observed that Turkmenistan attributes to Russia the priority role in its external policy, provided the relations between the two countries are founded on the principles of reciprocity and mutual benefit.

Mr. Kuliyev made an allusion to the Republic's President who said "the Republic is adhering to the principle of positive neutrality" which fact enables it to "strengthen the geopolitical situation in the region and throughout the world". "Our development of relations with Russia is especially valuable to us since it will further contribute to insuring world stability," Turkmenistan's Foreign Minister said in conclusion.

Citizenship Granted to Turkmen Diaspora

PM0406075392 Moscow IZVESTIYA in Russian 2 Jun 92 Morning Edition p 2

[Vladimir Kuleshov article: "Turkmens Can Return Home"]

[Text] Ashkhabad—Turkmenistan has granted citizenship to people forced to leave the republic during periods of mass repression, forced collectivization, or as a result of other inhuman political acts, to their descendants, and to Turkmens living in the former Soviet republics. This right is provided by the Turkmen presidential decree "On Social Rehabilitation and the Granting of Turkmen Citizenship."

A possible spur to the adoption of this decree was provided by the numerous letters to the republic's leadership from Iran, Afghanistan, Germany, Iraq, Turkey, Syria, the United States, Saudi Arabia, and other countries, where there are currently tens and hundreds of thousands of Turkmens who have been forced by historical circumstances to be cut off from their homeland and who want to return and make whatever contribution they can to the development of an independent Turkmenistan.

Nurkhan Yusefi, a Turkmen resident of Japan, has just been made a Turkmen citizen by the presidential decree. According to figures from the republic government's commission for citizenship issues, there are currently twice as many Turkmens abroad as there are indigenous inhabitants in Turkmenistan.

Uzbekistan

Decree Supports Humanitarian Activities

OW2905210492 Moscow INTERFAX in English 1859 GMT 29 May 92

[Prepared by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin; edited by Boris Grishchenko; from "Presidential Bulletin"; transmitted via KYODO]

[Text] President Islam Karimov has issued a decree on the Red Crescent Organization of Uzbekistan. The document is intended "to create more favorable conditions for national traditions in of humanism, mercy and disinterested aid, to promote Uzbekistan's cooperation with other countries, ideals and principles of the International Red Cross and Crescent Movement".

The decree offers to discuss in the Supreme Council the recognition of the August 12, 194h Geneva Conventions and supplementary protocols 1 and 2 dated September 26, 1977, which determine the authority of the Uzbek Red Crescent Organization as part of the International Red Cross and Crescent Movement. According to the decree, the Uzbek Red Crescent Organization is a volunteer organization which helps the state, its health care institutions to provide social protection and humanitarian aid to the population.

The state guarantees the observance of the Red Crescent Organization's rights and powers and helps in its activities. Islam Karimov charged the Cabinet with submitting to the republican Supreme Council a proposal to exempt the Red Crescent Organization and its branches from any taxes to the budget under the condition that the means should be used to fulfil the Organization's program goals. The republican government was also ordered to promote the Organization's activities and its entry in the International Federation of Red Cross and Crescent Organizations.

Birlik Opposition Group Harassed After Congress

PM0206101392 Moscow IZVESTIYA in Russian 29 May 92 Morning Edition p 2

[Shakhabutdin Zaynutdinov report: "How 'Birlik' Was Beaten"]

[Text] Tashkent—A noteworthy event has occurred in the political life of the Republic of Uzbekistan: The fifth kurultay (congress) of the "Birlik" ("Unity") people's movement has been held.

Some 200 delegates gathered for the kurultay—the first since "Birlik's" official registration—from all ends of the republic. According to observers' assessments, the movement's activists displayed unity on all the main aspects of the strategy and tactics of political struggle and managed to find a compromise on many disputed issues. A number of delegates voiced an opinion on the formation of the republic's "shadow" government from among "Birlik" activists and other representatives of opposition forces, on the creation of an alternative draft of sovereign Uzbekistan's new constitution, and on the compilation of their own program for the republic's economic development.

But on the second day after the end of the kurultay "Birlik's" temporary headquarters were literally ransacked: Four unknown persons broke in, let off gas canisters, and beat up visitors and activists.

On the same day other "Birlik" activists were approached by employees of law-enforcement organs, who demanded that they report at once to the Chilanzarskiy Rayon Prosecutor's Office.

This is the kind of attitude here to an organization which is officially registered with the local Ministry of Justice.

Government Forced To Introduce Own Currency

LD0306121892 Moscow ITAR-TASS in English 1107 GMT 3 Jun 92

[By UZA-TASS correspondent Lev Levin]

[Text] Tashkent, June 3 TASS—"Uzbekistan plans to start the emission of its own money," UZA was told by chairman of the board of the republic's State Bank Feyzulla Mullazhanov. "Shortage of cash money, which is growing steadily, has driven hundreds of thousands of Uzbeks into a veritable impasse. The situation remains tense despite the emission of banknotes of 200, 500 and 1,000 rouble denomination. Such a monetary policy paralyses the economy and deals a heavy blow at emerging market relationships," Mullazhanov claims.

"In such conditions every sovereign republic should safeguard itself from economic upheavals," he stated. "But how can this be done when the printing press is in Russia and Uzbekistan is compelled to 'import' rouble banknotes? The republic's requests for more money remain constantly unfulfilled. A quarter of all the money is now being provided to husbandries through new emissions. The gravest situation has developed in Karakalpakstan and in Andijan, Surkhandarya, Samarkand, Kashkadarya and Fergana regions."

Mullazhanov noted that much efforts were needed to increase the republic's production potential. The national currency is not an end in itself. Many economic problems should be resolved simultaneously: The market has to be satiated, production has to be modernised and reconstructed, all sectors of the national economy have to be developed. However, cash incomes have dropped by 7.5 billion roubles below lower the predicted level during the past four months, and in trade—by 10 billions.

Armenia

Defense Official on Withdrawal of Russian Troops

OW0406123692 Moscow INTERFAX in English 1025 GMT 4 Jun 92

[Transmitted via KYODO]

[Text] The decision to withdraw Russian troops from Armenia does not signify their immediate pullout. This was stressed by the head of the press service of the Armenian Defence Ministry Gegam Arutyunyan. If troops had been removed overnight, this would not meet the interests of Armenia. The official said the borders of the republic are presently guarded by the 7th army.

Still the withdrawal has begun. The 15th division of the 7th army is leaving Kirovakan. No incidents related to the pullout are reported. The process is to end in two to three years. Armenia regards the presence of Russian troops as a diplomatic and political as well as military shield.

Further on Withdrawal

PM0506101192 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 0500 GMT 2 Jun 92

[From the "Novosti" newscast: Video report by unidentified correspondent]

[Text] [Correspondent] [video shows troops marching past statue of Lenin] In line with mutual agreements, the withdrawal of 7th Army units and combined units from Armenian territory has begun. But even as part of the CIS Joint Armed Forces under Russian jurisdiction, this army never engaged in repressive action against the Armenian people or participated in military activities on its side. The first stage in the redeployment process—three stages are planned in all—will be completed in January 1994. During this time, all subdivisions, which are no longer needed in view of the creation of Armenia's own national army, will be withdrawn.

Ter-Petrosyan Interviewed on Conflict, Talks

NC0406185492 Cairo AL-AHRAM in Arabic 1 Jun 92 p 5

[Report on an interview with Armenian President Levon Ter-Petrosyan by Anji Rushdi in Cairo; date not given]

[Text] Armenian President Levon Ter-Petrosyan stressed that the Egyptian experience is particularly important for Armenia because it is going through the same phases Egypt is still experiencing, changing from a controlled to a market economy. He said: We are interested in Egypt's open-door policy experiment, we can learn much from Egypt, so benefiting from all the positive aspects of its experiment. He said he discussed with President Husni Mubarak the means to solve Armenia's principal problem, Nagorno-Karabakh, and finding the right solution.

These were the basic points I wanted to raise with him, but he continued to talk on this last one. He said: The Egyptian and Armenian sides have agreed that a Nagorno-Karabakh solution must be achieved peacefully, based on international efforts concentrating on the start of peace talks, resulting from an initiative by the United Nations, Security Council, and European Community. Any interference by other countries in the conflict must be avoided because that makes the problem more complicated.

I was not content with this diplomatic answer and asked him: Azerbaijan is an Islamic country and it seems to me that Nagorno-Karabakh's Muslim minority is at the heart of the conflict with Armenia.

The Armenian president said: I would like, since I am in Egypt—which has a unique position in the Arab and Islamic world—to focus on clarifying this point for everyone.

This conflict is not a religious one; religion plays no part in it. We believe that all the attempts to give it a religious character are based on false premises, lacking objectivity. We will try our best to ensure that Armenia does not become a battleground between East and West, Islam and Christianity, especially as Armenians have lived with Muslim peoples for long periods.

I am happy the Egyptian side has understood this and does not attribute a religious character to the conflict.

He added: Throughout history Armenians have had good relations with the Islamic peoples. Armenians enjoy every citizenship right in these countries; the Armenian people have never been in conflict with the peoples they lived with.

Russia gave part of Armenia's territory to Azerbaijan at the start of this century and an autonomous region was formed within its borders. The Azerbaijani authorities pursued a policy of ethnic discrimination against the Armenian population.

At the start of Gorbachev's rule, we got freedom of expression and freedom to protest against the status quo. In 1988, the autonomous Karabakh region's Supreme Council decided to leave Azerbaijan. Massacres followed, the situation erupted, and the Armenian people started defending themselves.

The situation escalated and thousands were killed in four years. The region was subjected to an economic siege and the people could not pursue their agricultural activities. The region will face a famine next winter; that is why the Armenians in Nagorno-Karabakh, not us, insisted on opening a corridor between the region and Armenia, to get supplies, food, and medicines.

Neither Armenia nor the Nagorno-Karabakh population has any intention of occupying territories from this corridor.

He added: If international organizations can give guarantees to protect this corridor, the region's inhabitants will be willing to return it to Azerbaijan at any time.

[Rushdi] How do you envisage a peaceful solution to this conflict?

[Ter-Petrosyan] As long as the Armenian people in the region have no choice but self-defense, we must look for international guarantees to protect them. I think the solution can be achieved in two stages:

1. The security stage: The region's inhabitants could be protected by deploying UN peacekeeping forces along the region's border with Azerbaijan. The UN observers must protect the corridor which links us with them.

2. The peace conference and talks to resolve the situation should be within the CSCE framework. Representatives of the region's authority must take part in the talks. The CSCE called for a general meeting to discuss the problem and 11 countries, plus Nagorno-Karabakh representatives, will participate in it.

Delegates during the talks should define and lay down the basis of government in the region. They should also discuss refugees from the two sides, compensating them for the damage, guaranteeing roads and communications, and exchanging prisoners.

[Rushdi] There are signs that the Zionist lobby is stepping up its presence in some recently independent states, such as Russia. What do you think will be the best solution to the Arab-Israeli conflict?

[Ter-Petrosyan] I know nothing of an increasing Zionist influence in Russia and in the Commonwealth of Independent States. There is a democratic transformation process and new democratic forces, which are voicing their allegiance and dedication to the principles and objectives of international law, the UN role, and human rights. I believe these forces will never give up these ideas. I believe the democratic countries will make more efforts to work out solutions which are enough to guarantee the peace process. I can confirm that Russia is currently playing a bigger role in the peace process in the Middle East.

[Rushdi] How do you envisage a solution?

[Ter-Petrosyan] The solution should come within international law and the UN resolutions, which are in line with UN objectives. I believe the Palestinian people's rights should be considered. Armenia condemns any violation of the peoples' rights, particularly their right to self-determination.

[Rushdi] How do you explain the disintegration of the Soviet Union and Yugoslavia when the world sees large blocs?

[Ter-Petrosyan] Integration in Europe is progressive, that is why Armenia is involved in the integration process taking place in the CIS, although some other countries continue to suffer disintegration and secession. There are republics which realize the importance of the existing integration process and which are trying to give this new entity a legal status, but so far there is no clear structure like that of the European society.

The CIS will continue to aspire to the European society example. Joining the CIS does not mean a misunderstanding with the other countries. There is a dire need to find entities to ensure collective security in the Middle East. If the countries in this area are taking initiatives to achieve integration with those which have influence in the area, Armenia will not hesitate to cooperate with them.

Prime Minister Addresses Supreme Soviet

OW0506013592 Moscow INTERFAX in English 0037 GMT 5 Jun 92

[Prepared by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin and edited by Boris Grishchenko; from the "Presidential Bulletin"—transmitted via KYODO]

[Text] The signs of economic recovery that appeared in February through April have disappeared by now. The conclusion was drawn by Prime-Minister and Vice-President Gagik Arutyunian who reported the current state of the economy to parliament on Wednesday [3 June] night.

He described the overall situation as extremely miserable and accounted it to traditional reasons: political instability and directly related irregular fuel and energy supplies. Gas is still not coming via the Georgian pipeline, the Georgian railway is incapable of transporting the amount of goods necessary for Armenia, the Azerbaijani railway has not been functioning for two months. According to the premier, due to the last circumstance 110,000 tons [as received] of oil products worth 600 mn [million] roubles have been embezzled and robbed in Azerbaijan while the pay is added to Armenia's debt to Russia now totalling 720 mn roubles.

The prime-minister complained that for this reason it is increasingly difficult to persuade Russia to send more supplies. The poor circulation of money is an especially sore point. "Emission has reached an unprecedented scale; the country was forced to inject one and a half billion roubles of cash, but still money is in short supply."

It is possible to get along without gas for a couple of weeks, but later the situation might become unpredictable. The main thing is to press every effort to resume gas supplies from Georgia. This requires good will on the part of the North Ossetian parliament, the prime-minister said.

The general intonation of the debate on the report was harsh and critical. The chairman of the parliamentary budget committee Tigran Sarkisian said he did not see any ways to overcome the current economic crisis in the country. It is not just a matter of objective causes. The government carries a considerable share of the responsibility for the hopeless situation.

Among the mistakes of the cabinet Mr. Sarkisian named the absence of a distinct dividing line between the tactics and strategy of reforms, the absence of a program of inter-Armenian cooperation that would help build a relatively self-sufficient economy. As for various blockades and political crises, Mr. Sarkisian said, they can be predicted and they have become more than regular.

IF [INTERFAX] note: According to the Armenian government report, in the first five months of the year the volume of industrial production dropped by 51%.

Wages, Grants, Service Costs Increase by Decree

PM0406112192 Moscow ROSSIYSKAYA GAZETA in Russian 2 Jun 92 First Edition p 7

[ITAR-TASS report under the rubric "Common Problems": "Pay Increases, But Slower Than Prices"]

[Text] The cost of bread, apartment rents, heating, hot water supplies, and postal and some transport services doubled in Armenia as of yesterday. These and other measures are stipulated in a decree by the Armenian president. This decree says that all these measures are aimed at developing market relations, stabilizing the consumer market, and also "preventing production losses and the flooding of the consumer market with goods in conditions of increased resource costs in the Russian Federation and other CIS countries."

Prices for supplying electricity and water, natural gas, and city, rural, and intercity telephone and telegraphic communications and for installing a radio remain unchanged. Value added tax will not be levied on the domestic use of gas; instead of this the "Armgaz" production association will receive state subsidies.

At the same time the Armenian president has issued a decree on the indexation of pay, pensions, and benefits. A minimum wage of 600 rubles [R] is established. The minimum pension level is raised to this same mark. The salaries of employees of budgetary organizations are increased by 65 percent, those of employees of education, health, and culture institutions by 80 percent. Students will receive at least R425.5, postgraduate students and students studying for doctorates R845 and R900 respectively.

Official on Prices Growth, Profitability

LD0406174492 Moscow POSTFACTUM in English 1537 GMT 4 Jun 92

[From the "Domestic Market" section]

[Text] Yerevan—The price growth rate has not been fixed in Armenia, the prices will be regulated by the level of the enterprises' profitability. Bella Khachatrian, the head of the department of state regulation of prices of the republic's Economics Ministry, reported this to PF [POSTFACTUM] 4 June. According to her information, such a system will make it possible not only to raise but also to reduce the prices. Every enterprise is duty-bound to strictly observe the profitability percentage fixed for it, Khachatrian emphasized.

According to her information, the level of profitability of the Armenian aviation has been fixed within 37 per cent for the inter-republican airlines and 8 per cent for domestic republican airlines. Civil aviation officials reckon that prices for airframes must be raised 2-2.5 times to provide for such a level of profitability. On June 5 it is intended to introduce new tariffs for airframes. In particular, the airframes from Yerevan on the main flights will amount to: to Moscow R [rubles] 2,200, to St. Petersburg R2,900, to Kiev R2,300, to Minsk R2,300, to Tashkent R2,500, to Lvov R2,550, to Sverdlovsk R2,030, to Novosibirsk R2,050, to Dnepropetrovsk R1,900. The Yerevan-Stepanakert fare will amount to R550.

Bella Khachatrian further stated that various levels of raising prices on various goods had been established in Armenia. The rent, as well as prices of bread and railroad fares have doubled. A municipal transportation fare, in particular that on the underground amounts to rbls [rubles] [figure indistinct] as of 1 June. An official of one of the underground stations in Yerevan reported to PF that the placks for the underground manufactured by Yerevan's electron corporation were not always suitable for the turnstiles—25 out of 1,000 placks were faulty.

1 June the prices for milk and matsoni [sour milk] have been raised to R19 and R16 per litre accordingly, however, already 2 June, because of the customer's indignation, the milk and matsoni prices went down to R13.6 and 12.6 respectively. Liquor, creamery butter, confectionery and meat prices remained unchanged. The leaders of second hand and commercial trade of Yerevan also do not intend to raise prices as, according to them, the goods fail to get sold even at old prices.

Bella Khachatrian reported to PF that changing of tariffs and prices on goods and services was conducted under an edict of the President of Armenia Levon Ter-Petrosyan. The edict which instructs that the prices be raised as of 1 June, this year, points out in particular that the raising of prices is being done with the aim in view of stabilizing the republic's consumer market and the further development of market relations. The edict also says that this price raise has been prompted by the growth of prices of fuel in the Russian Federation and the other CIS republics.

Fuel Oil Brought From Russian Cities

NC0406205392 Yerevan Armenia's Radio First Program Network in Armenian 1730 GMT 4 Jun 92

[Text] Efforts to bring fuel to Armenia have achieved some success in recent days, thanks to efforts by the relevant organizations, including contacts by representatives of the Armenian [name indistinct] gas production enterprise in the Russian cities, from where diesel and other types of fuel are being received.

The republic has been facing an acute fuel shortage over the past two weeks. Energetic efforts are needed to meet the economy's most important needs.

Stepan Torosyan, acting director of the gas production enterprise, told ARMENPRES that more then 60,000 tonnes of fuel oil are on the way to Armenia. Trains arrived on 1, 2, and 3 June, bringing 14,000 tonnes of fuel.

Nearly 5,000 tonnes of fuel oil have been loaded for Armenia in Volgograd and Saratov cities and 2,500 tonnes of diesel fuel were loaded in Armavir on 3 June.

Pilots, Specialists Invited To Enter Military

NC0406205792 Yerevan Armenia's Radio First Program Network in Armenian 1200 GMT 4 Jun 92

[Text] We have an announcement to make: The Armenian Republic Defense Ministry invites citizens who are pilots and who are specialists in other branches of aeronautics to enter military service.

You can obtain detailed information by calling 348676 between 0900 and 1700 daily except Saturdays and Sundays.

Nagorno-Karabakh Supreme Soviet Session Held

LD0406155292 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 0500 GMT 4 Jun 92

[From the "Novosti" newscast]

[Text] The second round of voting to elect a chairman of the Nagorno-Karabakh Supreme Soviet has not produced a result. None of the candidates received the number of votes required for election to the highest state post of this republic. A fresh vote will take place today, the Karabakh news agency reports.

Meanwhile, the state flag of the Nagorno-Karabakh Republic will be similar to that of Armenia—a red, blue, and orange tricolor with one distinctive feature: the upper right-hand corner is separated from the rest of the flag by a white stripe. This triangle symbolizes both the present day of this region and its future, the deputies of the Nagorno-Karabakh Supreme Soviet decided at yesterday's parliament session.

Third Round of Voting Held

LD0406210392 Moscow ITAR-TASS in English 2041 GMT 4 Jun 92

[By ARMENPRESS correspondent Boris Kyufaryan]

[Text] Yerevan June 4 TASS—Elections to the post of the chairman of the Nagorno-Karabakh Republic's Supreme Soviet entered their third round. People's deputies today once again decided whom they should give preference to: Georgiy Petrosyan or Robert Kocharyan. Vagif Galstyan and Leonard Petrosyan, who were to enter the contest as new candidates, unexpectedly withdrew their nominations.

On the whole, the latest reports from Stepanakert indicate a certain degree of stabilisation in Nagorno-Karabakh, although some incidents of "Grad" rocket attacks and artillery fire on a number of areas in Askeran, Gadrut and Mardakert from the Azeri territory were reported. Some casualties were reported.

Conciliation Commission Formed

LD0406214892 Moscow ITAR-TASS World Service in Russian 2046 GMT 4 Jun 92

[By ITAR-TASS correspondent Tigran Liloyan]

[Text] Yerevan, 5 Jun—After a lengthy discussion on the evening of 4 June, the Nagorno-Karabakh Supreme Soviet held a closed session at which it was decided to set up a conciliation commission. The Dashnaktsutyun [Alliance] party press and information center told the ITAR-TASS correspondent, referring to sources in Stepanakert, that eight representatives of various factions and groups are elaborating proposals on the further work of the Karabakh parliament. The deputies are continuing the session today, 5 June.

Over 20 questions are included on the agenda along with the election of the chairman of the Nagorno-Karabakh Supreme Soviet and his deputy. Deputies are to discuss and adopt the constitutional law on the basic principles of state independence of the Nagorno-Karabakh Republic, laws on defense and the militia, and to form a government of Nagorno-Karabakh.

Having begun work on 2 June, the Nagorno-Karabakh parliamentarians were not able to elect their chairman on the basis of the results of the three fruitless rounds of voting. A tough struggle developed between representatives of the highly influential Dashnaktsutyun party and supporters of Armenia's ruling Armenian Pan-National Movement.

Azerbaijan

Baku Warns Against Disrupting 7 Jun Elections

NC0406181292 Baku Radio Baku Network in Azeri 1700 GMT 3 Jun 92

[Text] The final stage of the presidential election campaign has begun. The republic will vote on 7 June in polling stations open from 1200 to 2000. Citizens must vote for only one candidate; any slip with more than one name crossed will be invalid.

There must be no lawless interventions during the voting. The law will hold responsible anyone using force, trickery, and threats to try and stop the citizens participating. Those who may [words indistinct], fail to correctly count the votes, and disrupt the system of voting will be punished.

Race for Presidency Nears Completion

OW0506005592 Moscow INTERFAX in English 0037 GMT 5 Jun 92

[Prepared by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin; edited by Boris Grishchenko; from "Presidential Bulletin"; transmitted via KYODO]

[Text] The Presidential Bulletin continues to introduce presidential candidates who will run for election on Sunday June 7.

Nizami Suleymanov, who presented his election platform on local television, promised to restore control over Karabakh in three months after election. "I promise to resign, if I fail", he said.

In his opinion Azerbaijan can overcome the political and economic crisis in a comparatively short period of time by relying on its own resources. This only requires an effective utilization of natural resources and the intellectual potential. That is why today Azerbaijan should be governed primarily by professional economists. He also promised to overcome unemployment, reduce the prices of basic food stuffs and raise average earnings to 10,000 roubles.

IF [INTERFAX] note: Nizami Suleymanov, born in 1945, is a graduate of the Azerbaijani Polytechnical College, a corresponding member of the Azerbaijani Academy of Sciences, Dr.S., an expert on the physics and chemistry of metals, the President of the Azerbaijani Art Academy, the Chairman of the Democratic Union of Azeri Intellectuals nominated by the Art Academy. Married, the father of three. Rates 4th or 5th among the seven candidates.

The election platform of Tamerlan Garayev published in the local press singles out three key directions: political and state reforms, the solution of the Karabakh problem and guarantees of territorial integrity and security, radical economic reforms. Political levers of settling the Armenian-Azeri conflict can be used only after the restoration of Azeri jurisdiction over its historical territory.

A strong power in the country implies the existence of a strong opposition. The candidate supports balanced mutually-beneficial relations with the Russian Federation.

Mr. Garayev is a leader of the Popular Front and headed its Majlis at the most difficult time for the front: between January 1990 and February 1992.

IF note: Tamerlan Garayev, born in 1952 in Karabakh, is a graduate of Azerbaijani State University, Candidate of Law, who worked in law-enforcement bodies and taught at the university. People's Deputy, deputy chairman of chairman of parliament, since May 18 the first deputy chairman. A leading member of the Popular Front and before becoming the first deputy chairman of parliament the chairman of the front's Majlis. Rates third among the candidates.

Elchibey Comments on Candidacy, Elections

TA0506075092 Ankara Turkiye Radyolari Network in Turkish 2000 GMT 4 Jun 92

[Text] Ebulfez Elchibey, Azerbaijani Popular Front leader, has said that the elections to be held on 7 June will be the first step toward an independent and democratic Azerbaijan.

Speaking at a news conference attended by foreign journalists in Baku, Elchibey said that the presidential elections will be held as planned despite attempts by certain foreign and domestic circles to prevent them. Mehmet Ur, from the Turkish Radio and Television team in Baku, reports Elchibey as having said that there has been a state vacuum in Azerbaijan since the collapse of the communist regime and that it is important that a president elected by the people come to power. Elchibey said that if he is elected, he will safeguard contemporary principles such as democracy and human rights and will hold local and parliamentary elections in early 1993 at the latest. He added that the parliament to be elected will prepare a new Azerbaijani constitution.

In reply to a question on the Karabakh problem, Elchibey said that, as in the case of the occupation of Kuwait, the problem can be solved in accordance with UN principles and within the framework of international laws.

Front's Elchibey Remarks on Stance, Goals

NC0506114792 Istanbul MILLIYET in Turkish 31 May 92 p 19

[Report by Tunca Bengin from Baku: "Elchibey: Realizing Land Reforms Will Be First Priority"]

[Text] Ebulfez Elchibey, Azerbaijan Popular Front leader, the strongest runner in the presidential elections, has said that none of the former Soviet republics has become fully independent. Elchibey asserted: "No decision on the system of administration in Azerbaijan has been adopted. We can adopt a system like that in the United States, we can also consider adopting the model of Turkey. Azerbaijan will definitely be a democratic and secular republic."

Elchibey said the first priority in Azerbaijan will be realizing land reforms and distributing land to the peasants. He said: "A state cannot be changed in 24 hours, but a civilian administration will be established after 7 June. Human rights will prevail and the state will be secular; the people will enjoy freedom of faith. The concepts of democracy, law, and human rights will be three unwavering principles for Azerbaijan."

Noting that the judicial bodies will decide whether or not to bring a lawsuit against former President Ayaz Mutalibov, Elchibey said: "Mutalibov wanted to be a dictator. Had he remained in power, Azerbaijan would have become a country like Afghanistan. There would have been significant bloodshed. Mutalibov's aim was to send opposition leaders to prison, but the people opposed him. Had they not, the world would have had yet another dictator."

Noting that none of the former Soviet republics can be regarded as fully independent, Elchibey said: "They must have their own currencies if they wish to become free and independent countries. The ruble is used in every republic and that currency has significantly decreased in value. A difficult economic situation exists. Parliamentary elections will be held in Azerbaijan immediately after the presidential elections on 7 June. Then, Azerbaijan will issue its own currency. All this will take one or two years, which Azerbaijan will need to become fully independent."

Elchibey noted that Azerbaijan would solve its problems quickly. He said: "The economy is not a very difficult problem. If Azerbaijan can export 200,000 tonnes of cotton production every year, it will pay for the meat and edible oils it requires. Azerbaijan produces 600,000 tonnes of cotton every year and has rich oil resources. First, we will focus on meeting the people's basic needs. Imports of luxury goods will be limited for a certain period."

UN Official Remarks on Nakhichevan Visist

PM0206095792 Moscow IZVESTIYA in Russian 29 May 92 Morning Edition p 2

[Aleksandra Lugovskaya report: "Francesco Vendrell's Lightning Mission to Nakhichevan"]

[Text] Nakhichevan—Nakhichevan is the final stop on the tour being made by the UN secretary general's envoy of the region of the Armenian-Azerbaijani conflict. On 27 May, the delegation, which consists of experts on refugee and food issues and also representatives of UNICEF, went straight from the airport to the settlement of Sadarak on the border with Armenia.

The mountain chain which forms the border begins right behind the settlement, which is located in a valley. Exchanges of fire have not ceased for a single day. "On 18 May Armenians seized several heights," Aslan Asadov, a fighter in the Azerbaijani Special Purpose Militia Detachment based here, told me. "Snipers are now shooting at us from there, and there is also firing from mortars, howitzers, infantry fighting vehicles, armored personnel carriers, and even a tank."

Although there has been no great destruction in Sadarak, its residents have left their perilous homes. For one month now they have been living in tents nearby. The refugees reply to mission head F. Vendrell's question "What do you eat?" by saying: "The bread which the republic leadership provides us with, and we also slaughter our own livestock and share out all food equally."

I will add that food is delivered to Nakhichevan from Azerbaijan only by air, but it is also brought in from neighboring Turkey across the 14-km section of the joint border.

Together with the UN mission, I also visited the local clinical hospital, where there are injured residents of Sadarak. F. Dzhafarkuliyev, health minister of the Nakhichevan Autonomous Republic, presented the UN experts with proof of the use of chemical weapons by the Armenian side. In the hospital at present time, there are seven injured persons with symptoms of toxic penetration, and three others are being treated as outpatients. The results of analyses conducted in Sadarak according to procedure No. 3 confirm that the water contains mustard gas, phosgene, and diphosgene.

After visiting the hospital, the UN representatives met with G. Aliyev. He said that he considers the UN mission's visit to Nakhichevan useful for ascertaining all aspects of the conflict situation and hopes that the visit will prove effective and also that the conflict in the Transcaucasus will be exhausted with the help of such authoritative international organizations as the United Nations.

A few hours later the UN delegation flew from Nakhichevan to Baku. Despite the tour's tight schedule, F. Vendrell, UN secretary for political and international questions, granted your correspondent a brief interview. He voiced satisfaction with the fact that his delegation had managed in such a short time to obtain a lot of information about the state of affairs in Nagorno-Karabakh, Azerbaijan, and Armenia. He will report all the facts to UN Secretary General B. Ghali. Vendrell called what is happening in Karabakh carnage, emphasizing that the leaders of the warring sides will be unable to resolve this problem by armed means. The mission has arrived at the conclusion that the attempts by the CSCE to settle the conflict must be stepped up. The purpose of his mission, Vendrell emphasized, was to gather information and to attract humanitarian food aid to the region of conflict.

'Intensive' Shelling Reported in Nakhichevan

LD0406135992 Moscow ITAR-TASS in English 1311 GMT 4 Jun 92

[By AZERINFORM for TASS]

[Text] Baku June 4 TASS—The settlement of Sadarak in Nakhichevan has been subject to intensive and constant shelling since 22.00 hours on Wednesday [3 Jun], the Nakhichevani defence committee said, adding that four Azeri defenders of the settlement were wounded and many houses damaged.

The committee also said Armenians are concentrating armed forces and armoured vehicles on the border with Nakhichevan and did not exclude a possibility of a large-scale offensive on Sadarak and other villages of the enclave separated from Azerbaijan by Armenia.

The Armenian blockade of the railway linking Nakhichevan with the rest of Azerbaijan caused shortages of fuel in the autonomous republic. The supplies will last for two weeks. Several enterprises were closed down because of a lack of electric power supplies.

Situation remains tense in Nagorno-Karabakh as well, according to the interior department for the Karabakh zone. One person was killed and several wounded during artillery and rocket shelling of the Azeri village of Papravend by Armenian forces. Six houses, a school, a shop and several administartive buildings were damaged.

Refugees Protest Delays in Resettlement

LD0406143592 Moscow Mayak Radio Network in Russian 1400 GMT 3 Jun 92

[Text] The decree on the resettlement of Azerbaijani refugees from Shusha, Lachin, and other populated areas of Nagorno-Karabakh and the regions bordering Armenia, which was signed on 2 June by Isa Kamberov, current acting president of the Republic, has caused dissatisfaction among the refugees themselves. The document orders that they be resettled within four days. This is why dozens of refugees have blocked all entrances to the president's residence today. They told an RIA correspondent that they intend to continue the blockade until they are provided with normal living conditions.

No Pressure on Russian Officers To Leave

LD0406152292 Moscow ITAR-TASS in English 1452 GMT 4 Jun 92

[By ITAR-TASS correspondent Natan Barskiy for TASS]

[Text] Baku June 4 TASS—"There have been no facts of pressurizing Russian servicemen into leaving Azerbaijan," the Azeri president's press service states unequivocally in a report handed over to AZERINFORM today. Referring to the republican Defence Ministry's figures, it says that 310 Russian-speaking officers do military service in Azerbaijan's armed forces as of June 1, 1992.

Polemizing about allegations that Russian servicemen are ill-treated in Azerbaijan, which have been spread lately but are not supported with evidence, the president's press service authoritatively states that this speculation does not correspond to reality.

The recruitment of Commonwealth Joint Armed Forces units into the armed forces of the Azerbaijan republic has only been started and the Defence Ministry expresses confidence that once this work is completed the number of Russian-speaking officers will grow significantly, the report says. The present departure by some of them from the republic is associated mostly with new appointments in the Russian armed forces, the withdrawal of some units from the republic's territory, officers' invitation to serve in national armies of other republics and, lastly, the transfer of some of them to the reserve for length of service and their movement to the permanent place of residence.

28 KGB Agents Detained at Baku Airport

NC0106073192 Istanbul HURRIYET in Turkish 24 May 92 p 18

[Irfan Sapmaz report from Baku: "28 KGB Agents in Baku"]

[Text] The new Baku administration has taken action against the KGB for the first time in history. Information we received from Internal Affairs Minister Nadzhib Khamidov indicates that 28 KGB agents from Moscow were recently detained at Baku's airport. Azerbaijani officials believe that the agents came to Baku to create problems. Khamidov claimed that Polenichkov, who served as a high-ranking KGB official in Afghanistan for many years, was detained with nine colleagues.

Khamidov also stated that the Azerbaijani Government has asked the KGB Special Hospital authorities in Moscow to return former President Ayaz Mutalibov to Azerbaijan. He said, however, that the hospital has not responded to the request, adding that Mutalibov will be arrested and tried for treason as soon as he returns to Azerbaijan.

Meanwhile, Il Guseyn Guseynov, the former KGB head in Azerbaijan, and Gadzhi Abdul, a close associate of Mutalibov who set up tents in front of the Azerbaijani Supreme Soviet and organized armed activities in Baku after Mutalibov's 6 March resignation, have also been detained. It has been determined that 130 of Gadzhi Abdul's closest supporters were detained with him.

The Azerbaijan Popular Front [APF] has asked the United Nations to do everything it can to prevent clashes between Azerbaijan and Armenia from turning into a widescale war in which other countries may also be involved. According to an AZERINFORM report, the APF Supreme Assembly appeal also called on the organization to condemn Armenia's occupation of Lachin and Sadarak.

Protest Sent to Iran As Jet Violates Airspace

LD0406171792 Moscow POSTFACTUM in English 1537 GMT 4 Jun 92

[From the "Politics" section]

[Text] Baku—On June 3 a patrol of Prishib Frontier Guards detachments registered a violation of the air frontier by an Iran jet. The aircraft flew around 10 km over the territory of Azerbaijan and went back. Iran's frontier commissioner was sent a protest. PF [POST-FACTUM] was told at the frontier guards press service that the cases of airspace violations over the border of Iran had lately become more frequent.

Official Meets Islamic Development Bank Group

NC0406195992 Baku Radio Baku Network in Azeri 1700 GMT 3 Jun 92

[Text] Ziyad Samed-zade, first deputy prime minister and Azerbaijan state economic planning committee chairman, received a delegation from the Islamic Development Bank [IDB] in Baku on 2 June. Azerbaijan's membership of the IDB, which has significant international influence, will play a considerable role in developing the republic's economy.

The sides examined the conditions required for Azerbaijan's membership, and the outlook for an independent Azerbaijan once it becomes an equal member of this international bank.

The IDB delegation members also visited the Muslims' religious administration in the Caucasus and met Sheykh-ul-Islam Gadzhi Allakhshukyur Pasha-zade the same day.

Georgia

Shevardnadze Addresses State Council 3 Jun

OW0506013692 Moscow INTERFAX in English 0037 GMT 5 Jun 92

[Prepared by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin; edited by Boris Grishchenko; from "Presidential Bulletin"; transmitted via KYODO]

[Text] Addressing the State Council on Wednesday [3 June], Eduard Shevardnadze said that although the Georgian economy is in a state of deep crisis, certain progress has been made over the past three months. Despite difficulties and serious confrontation, consolidation is making itself felt and fratricidal civil war has been prevented, although its threat is still there. He described the decision to hold the elections to the Georgian parliament on October 11 and the ongoing consultative talks with the opponents as a major milestone on the road to democracy.

Speaking about ways of settling the conflict in the Tskhinval region he said: "We resolutely condemn everything that was happening in ethnic relations in the Tskhinval region and will never allow rifts to appear in relations between the Georgian and Ossetian population."

Touching upon Georgian-Russian relations, Shevardnadze noted that a great deal is being done to establish good-neighborly state and economic contacts, and to revive and strengthen the long-established cultural bonds. He stressed at the same time, that Russia's position on the economic blockade of Georgia by North Ossetia is "improper for a great power". He condemned Aleksandr Rutskoy's statements which in fact supported the blockade. This act, said Eduard Shevardnadze, will put an unwashable slur on relations between Georgia and Russia.

The words said by such a highly-placed statesman reflect the old imperial policies and offend our people, said Shevardnadze.

Such a policy only benefits the [word indistinct] forces in Russia, he continued. He also said that he regretted that to this day Boris Yeltsin has not replied to the letter sent to him in connection with the blockade of Georgia.

The State Council drafted measures to maintain law and order. The State Council's presidium will set up a republican center of state officials which will consist of the members of the presidium, the procurator-general, the interior minister, the leaders of the Information and Intelligence Bureau (former KGB), the first vice-premier, the minister of justice and the chief of staff of the Georgian armed forces. Eduard Shevardnadze will be in charge of running this center. In accordance with the powers laid on the State Council's Presidium, from now onwards it will be in charge of selecting and appointing personnel to the state and law-enforcement bodies and the armed forces.

The State Council's presidium and chairman have been given the right to suspend state acts going against the interests of strengthening law and order, to remove officials from their posts if the former cannot ensure or even hinder the efforts to combat crime and to lead the country out of the crisis.

In cities and regions, groups for maintaining law and order will be set up. Such groups will consist of representatives of the public and local leaders.

The leaders of the Georgian defence ministry, national guard and the Mkhedrioni armed formation have been instructed to ensure strict observation of the State Council's resolution on strengthening discipline and law in all military units, and to consider every crime committed by a servicemean as a crime against his country and people. In view of this, a military procurator's office and military tribunals will be organized.

S. Ossetia Shelling Resumes; Shevardnadze Cited

LD0506091292 Moscow ITAR-TASS in English 0821 GMT 5 Jun 92

[By ITAR-TASS correspondent Valeriy Shanayev]

[Text] Vladikavkaz, June 5 TASS—Tskhinvali, the administaive centre of South Ossetia came under a 5-hour long and intensive artillery and rocket shelling from the nearby Georgian settlements last night, according to the South Ossetian parliament. Casualties were reported.

South Ossetian self-defence units fired in response, it said.

Georgian leader Eduard Shevardnadze blamed reactionary forces for the resumption of the conflict. "In conditions of high social tension it is practically impossible to prevent the reactionary forces from appearing on the arena. Taking advatage of the discontent of the people they want to regain their lost positions and the people of the whole region will then have to deal with a regime similar to that which had provoked the conflict", he said in his answer to an appeal of the Council of Women of North Ossetia, published by the "SEVERNAYA OSSETIA" newspaper on Friday [5 June].

However, South Ossetian authorities believe Georgian militants became more active after the Russian engineering regiment and helicopter wing, which acted as a deterrence force, had been withdrawn from the republic. Torez Kulumbekov, the South Ossetian parliamentary speaker, said the situation in the region had reached its peak of tension. Urgent negotiations between South and North Ossetias, Georgia and Russia are necessary to stop the bloodshed.

In the meantime, North Ossetia continues to block a gas mainline providing fuel for Georgia and Armenia. The sanctions cost it 4.6 million rubles a day in fines to the Soyuzgastrans amalgamation.

Shevardnadze denounced the blockade saying it spirals up the conflict by involving into it each Georgian and Armenian family.

South Ossetian President on Georgian Attacks

PM0506074092 Paris LE MONDE in French 4 Jun 92 p 3

[Interview with South Ossetian President Thorez Gulumbegov by Dominique Dhombres in Tskhinvali; date not given—first paragraph is editorial introduction]

[Text] Tskhinvali—Thorez Gulumbegov, president of the Supreme Soviet of South Ossetia, received us a few days ago in Tskhinvali—the capital of that little Caucasian republic which has proclaimed its independence from Georgia. The interview was punctuated with the sound of Georgian shells being fired at the city, where the food and health situation has become critical. Tskhinvali was again bombarded between Monday [1 June] night and the morning of Tuesday 2 June by the Georgian militias which almost completely surround it.

[Dhombres] Why are you called Thorez?

[Gulumbegov] My father liked Maurice Thorez, whom he knew in Moscow before the war.

[Dhombres] You have just managed to get through on the telephone to Vladikavkaz in North Ossetia where negotiations with the Georgians are under way. Is a cease-fire in sight?

[Gulumbegov] You can hear the reply. It is noisy, is it not? Our aim is to halt the fighting. The Georgians are suddenly showing interest in us because the North Ossetians have cut off the gas pipeline out of solidarity (Footnote) (This gas pipeline crosses North Ossetia and transports natural gas from Russia and is Georgia's main energy supply).

[Dhombres] What are you demanding?

[Gulumbegov] The departure of the Georgian troops, the end of hostage-taking and the release of the hostages. To defend their villagers, the Georgians brought in the heavy artillery: Our villagers cannot work in the fields, they are systematically fired at. The artillery must leave. But our situation is difficult: The decision to cut off the gas supply in Vladikavkaz is also depriving us.

[Dhombres] What did Mr. Shevardnadze's visit on 13 May produce?

[Gulumbegov] He was playing to the gallery. He spoke on television for the rest of the world and not for us. Gamsakhurdia (the Georgian President overthrown in January who had launched the offensive against the Ossetians—LE MONDE editor's note) did what he said. Shevardnadze says one thing and does another. In his view, in any case, we are living on Georgian territory.

[Dhombres] Are you receiving aid from the Russians?

[Gulumbegov] Their army is neutral, it is watching. We have no reason to complain about it, but the aggressions began when the interior ministry troops—6,000 men with tanks—suddenly left Tskhinvali in the middle of the night on 26 April. We were left alone. The Georgians using five tanks then attacked the village of Pris very near here on 14 May, after Mr. Shevardnadze's visit. They burned 72 houses and have only just returned the bodies of five women. The Georgians cannot invade Tskhinvali, so they bombard us and attack the villages, steal the cattle, and take hostages. They demand money, and sometimes do not return the bodies. We have to capture a Georgian to carry out an exchange. There has been a great deal of talk about those who died in the Baltic countries last year, but who is interested in the Ossetians? That has been going on in our country for three years. Who spoke about the 800 Ossetians killed since 1989, the thousands of people injured, the 1,000 people who have disappeared, the 157 prisoners in Georgia? In May alone, we had 70 people killed and 122 injured. The life of the Ossetians is worth less than that of an inhabitant of a Baltic country. The destiny of a little people like us does not interest anybody and I find that inhuman. We need powdered milk for the children. Who cares about that?

Abkhaz Leader Urges Parliament Dissolution

LD0406194492 Moscow ITAR-TASS in English 1642 GMT 4 Jun 92

[By ITAR-TASS correspondent Igor Gvritishviliy]

[Text] Moscow, June 4 TASS—Tamaz Nadareishviliy, first deputy chief of the Supreme Soviet of Abkhazia, an autonomous republic within Georgia, has called for adopting a new democratic law on elections, eventually dissolving the Abkhazian parliament and holding early elections.

At a press conference in Moscow, he said it was necessary that the new law on elections be adopted because the present legislation stipulated the election of deputies on national grounds, which is essentially undemocratic.

According to Nadareishviliy, who is concurrently the leader of the Georgian group in the Abkhazian legislature, Abkhazians of whom there are 93,000 in the republic, hold 28 out of 65 seats in the Supreme Soviet. At the same time, Georgians hold 26 seats although their population is 239,000, which is the discrimination against this part of the autonomy's population.

Describing the political situation in Abkhazia as a whole, Nadareishviliy emphasised that it is explosive. He accused the Abkhazian leaders of escalating the situation. He said they "flagrantly violate the republic's constitution by adopting various unconstitutional laws." in this conjunction, he said the Georgian group in parliament intends to continue boycotting parliament sessions until it is dissolved.

Asked by an ITAR-TASS correspondent why the republic's name has the word socialist, Nadareishviliy answered that in the opinion of the Abkhazian leadership socialism in the republic has not yet been exhausted.

Opposition Criticizes Abkhazia's Ardzinba

MK0206143592 Moscow NEZAVISIMAYA GAZETA in Russian 2 Jun 92 p 3

[Tengiz Pachkoriya report under the "Abkhazia" rubric: "'We Will Not Stop As Long As Ardzinba Is In Power.' Council for Abkhaz National Unity Accuses Supreme Soviet Chairman of Usurping Power"]

[Text] Malkhaz Pataraya, Boris Kakubava, and other members of the Council for Abkhaz National Unity set up recently (comprising representatives of 19 Georgian public and political movements, organizations, and parties operating within the autonomous republic) held a briefing for journalists in Sukhumi's Tskhumi Hotel. They set out what they see as the reasons for the present political crisis situation in Abkhazia. In their view, Supreme Soviet Chairman Vladislav Ardzinba has "usurped all power in the autonomous republic and is violating the Abkhaz Constitution and Georgian republic laws, disregarding the opinion of Abkhazia's Georgian population, and flouting the interests and rights not only of Georgians but also Russians, Armenians, and other peoples here." The speakers at the briefing believe that Vladislav Ardzinba is continuing the policy pursued by Zviad Gamsakhurdia last year throughout Georgia. The members of the Council for National Unity said that there will be more peaceful protests in the near future against the incumbent Abkhaz Supreme Soviet leadership's policy—"the autonomous formation's entire national economy will be blockaded and all types of transport suspended." "We will not stop as long as Vladislav Ardzinba is in power," the opposition members promised, stressing that they favor a peaceful struggle. At the same time Boris Kukubava reminded the briefing that he is the head of the "Mkhedrioni" detachment in Abkhazia, saying: "No one forget that 'Mkhedrioni' has experience of overthrowing dictatorial regimes." In Boris Kakubava's opinion, servicemen in the Abkhaz Guard, which comes under the jurisdiction of the Abkhaz Provisional Military Council, have of late behaved provocatively, breaking laws in all manner of ways. During the briefing journalists were familiarized with a Georgian Defense Ministry order signed at the end of May forming three battalions of the Georgian armed forces from Abkhaz residents to be permanently stationed in Gagra, Sukhumi, and Gali.

At the same time it must be pointed out that most Abkhazians today, as well as some of Abkhazia's Russian-speaking population, have a positive opinion of Vladislav Ardzinba's activity and his popularity among residents is still fairly high. This is illustrated by the speeches at a rally in a Sukhumi stadium 31 May devoted to the memory of the victims of the Caucasus war and the forcible resettlement of Abkhazians and the mountain peoples of the Northern Caucasus in Turkey. Some speakers, unable to overcome their emotion, praised the Supreme Soviet chairman for his policy and even described him as "president of Abkhazia," although there is no such post in the autonomous republic. The participants in the rally carried posters in support of "Vladislav Ardzinba's economic and political course."

Admittedly, some of the Abkhaz politicians themselves do not take such an unequivocal view of Ardzinba's activity, thinking that "he should be more moderate and flexible in carrying out his policy." And some even think that the Supreme Soviet chairman is advancing the end of his political career by what he says and does.

Gamsakhurdia Suuporters Attempt Bombing

OW3105173292 Moscow INTERFAX in English 1537 GMT 31 May 92

[Transmitted via KYODO]

[Text] On May 30, the Abkhazian militia and security service discovered 12 kilos of explosives on the supports of a 77- meter-high bridge across the river Mokvi. The work to demine the bridge continued till 6:00 May 31. The Georgian State Council's press center lays the blame for the incident on supporters of Georgia's ex-president Zviad Gamsakhurdia and on the terrorist gangs which have taken his side.

Steady Stream of S. Ossetian Refugees Leaving

LD0306212792 Moscow Russian Television Network in Russian 1900 GMT 3 Jun 92

[Video report by I. Gukleva from Vladikavkaz; from the "Vesti" newscast]

[Text] The continuing tension in South Ossetia means that a steady stream of refugees is leaving for Russia. [video shows people on airplane and milling around in the streets holding their belongings in bags] Even now, there are more than 100,000 refugees in North Ossetia—the smallest republic in area in the Russian Federation—which is where the overwhelming majority now find themselves. The local population's hopes of Russian help in stabilizing the situation have faded considerably, since the sub-units of internal troops have been withdrawn from here, and the helicopter and combat engineer regiments remaining in Tskhinval are ready for withdrawal.

There is every reason to believe that in the face of the overwhelming superiority in arms of the opposing side, the actual possibility of the small Ossetian population in Georgia surviving physically is very doubtful.

Russian Residents Protest Economic Blockade

LD0406152892 Moscow ITAR-TASS in English 1343 GMT 4 Jun 92

[By SAKINFORM correspondent Guram Chanishviliy—TASS]

[Text] Tbilisi, June 4 TASS—Representatives of almost half a million Russians living in Georgia have sent an open letter to Russian President Boris Yeltsin, saying that the decision by the Supreme Soviet of the North Ossetian Republic to declare an economic blockade on Georgia and the Russian parliament's actual support of this move dealt a blow to the entire population of Georgia, where hundreds of thousands Armenians, Azeris, Russians, Jews, Greeks, Kurds and representatives of other nationalities live alongside Georgians.

"The fact that sanctions aimed against the entire population of Georgia, just like Armenia where gas is pumped via Georgia, was not duly censured by some politicians who are members of the Russian leadership is a matter of particular concern for us," the letter says.

"Such actions may have not only economic consequences. They may also erode national relations in Georgia, which were formed over centuries and befit a civilised moral society, and complicate the position of the Russian national minority," the letter adds.

"Sincerely hoping for your tireless concern about the future of all ordinary people, including Russians residing beyond Russia's boundaries, we ask you, dear Boris Nikolayevich, to take all measures to end the blockade and to rule out in future such uncivilised and undemocratic methods of solving inter-ethnic problems. These methods were never typical of such a great power as Russia and its noble mentality that historically was consistent with human civilised standards."

Economic Agreements Signed With Armenia

LD0406201992 Moscow Radio Rossii Network in Russian 1900 GMT 4 Jun 92

[Text] On the eve of Eduard Shevardnadze's visit to Armenia, which starts tomorrow, a number of Armenian-Georgian economic agreements have been concluded in Tbilisi, RIKA reports. The agreements fix the conditions for cooperation in the construction of gas pipelines and gas industry installations, procession of oil for the needs of both republics, and development of a network of railways, gas transit, and electric power. The agreements were signed by Armenian State Minister Ruben Chiftalaryan and Otar Kvilitariya, acting first vice premier of Georgia.

Country Considered For EBRD Membership

OW3105180692 Moscow INTERFAX in English 1537 GMT 31 May 92

[Transmitted via KYODO]

[Text] President of the European Bank for Reconstruction and Development [EBRD] Jacque Attali informed Chairman of the Georgian State Council that the EBRD's Board of Directors has agreed to admit Georgia to this organization. Within 30 days, this question will be considered by the council of managers, after which a number of juridical formalities will have to be observed.

EC To Extend 70 Million ECU Credit

OW3105175992 Moscow INTERFAX in English 1537 GMT 31 May 92

[Transmitted via KYODO]

[Text] The European Economic Community has passed a memorandum on extending 70 million ECU [European currency unit] to Georgia for purchasing food, the Georgian State Council's press service announced in Tbilisi.

Besides that, the EEC will also supply Georgia with an additional 1,000 tons of baby food, 500 tons of dry milk and 500 tons of canned meat worth 7 million ECU. This food will be sent to Georgia shortly.

Estonia

No-Confidence Vote on Interior Minister Rejected

OW0306233292 Moscow BALTFAX in English 1818 GMT 3 Jun 92

[Transmitted via KYODO]

[Text] On Wednesday [3 June] the Estonian parliament rejected the proposal on vote of no-confidence to republican Interior Minister Robert Narska. He was supported by Chairman of the Estonian Supreme Council Arnold Ruutel and Prime Minister Tiit Vahi.

Earlier, the centrist faction of the Estonian parliament proposed to consider whether Narska corresponds to his post. He is accused of neglect and growth of crime in the republic.

Vahi, Russia's Gaydar Discuss Currency Reforms

LD2505222592 Tallinn Radio Estonia in English 1520 GMT 25 May 92

[Text] The Estonian prime minister, Tiit Vahi, and the president of the Bank of Estonia, Mr. Siim Kallas, met Russian Deputy Prime Minister Yegor Gaydar. It was decided to form a joint commission to settle problems that may crop up between the states during the transition to the new Estonian national currency, the kroon.

The Estonian party submitted four draft agreements to regulate Estonian-Russian economic relations after the monetary reform. Russia didn't accept the proposal for free trade, saying it was impossible (?with) customs agreements concluded between the CIS member states. Mr. Gaydar proposed a most favored nation status between Estonia and Russia.

Mr. Gaydar said that with Estonia's transition to the kroon the question of partial payment of the former Soviet Union's foreign debt by Estonia also ought to be settled. Mr. Gaydar underscored that during the monetary reform discrimination of [as heard] non-Estonians should be avoided. Siim Kallas decried the rumors that 600,000 Russians residing in Tallinn are to be excluded from the ruble exchange. He called such rumors slander.

A meeting of the ruble zone Central Bank leaders and ministers of trade and commerce is to take place in Tallinn early in June. During the meeting it's expected to sign agreements on mutual accounting after the introduction of the Estonian national currency.

Tomorrow Mr. Siim Kallas leaves for Washington in order to negotiate with the leadership of the International Monetary Fund to reach an agreement for the support of the Estonian kroon. Mr. Kallas said that since next week he will be in Washington and another member of the monetary reform committee, Mr. Tiit Vahi, will be in Japan, the next meeting of the committee will presumably take place the week following. Mr. Kallas gave assurance that the date of the monetary reform will be disclosed a couple of days to a week in advance.

The checking of residents' registers for the forthcoming monetary reform has been completed. The announcement came from the head of the Monetary Reform Bureau, Mr. Enn Teimaan. Persons who for some reason were unable to check their personal data and therefore lack the right to exchange money can turn to municipal or county monetary reform committees. Summaries of the registers' checking ought to be ready by the end of the week.

Mr. Teimaan said that the decision about the date of the reform had not yet been made. Preparations for the reform go on, including the transportation of the kroon notes to banks.

Russia Bars Foreign Minister From Naval Center

OW2505215692 Moscow BALTFAX in English 1905 GMT 25 May 92

[Transmitted via KYODO]

[Text] Russia's Ministry of Foreign Affairs denied Jean Matitsky, the Estonian minister of foreign affairs, access to the former USSR naval training center in the Estonian town of Paldiski. The Estonian Embassy in Moscow informed BALTFAX that the conformable note to this effect was dispatched to Tallinn this Monday [25 May].

'No Progress' Made at Russian Troop Talks

LD0506103692 Tallinn Radio Tallinn Network in Estonian 1700 GMT 3 Jun 92

[Text] ETA reports that the Estonian delegation taking part in the talks between Estonia and Russia issued a statement today that acknowledges that no progress has been made on the key issue at the talks—the withdrawal of Russian troops stationed in Estonia. The position of the Russian delegation—that the troop withdrawal from Estonia can begin only in 1994—is unacceptable to the Estonian side. The Estonian delegation has been left with the impression that the military is dictating the course of the talks on the Russian side.

According to information received from Estonian delegation members, the Estonian delegation has reached a point where it cannot see any possibility—under present circumstances—to reach any agreement on troop withdrawal through bilateral talks. It is seen as expedient to suspend talks on this issue temporarily. The Estonian side retains the right to call on the Russian political leadership, as well as any other states, international organizations, and the world public, to use all their influence for a prompt withdrawal of foreign troops.

Talks at Lohusalu are continuing. Discussions are taking place in working groups, with the exception of the one discussing military issues, ETA informs us.

OMON Reportedly Guards Russian Border

OW0506095692 Moscow BALTFAX in English 0625 GMT 5 Jun 92

[Transmitted via KYODO]

[Text] On the Ivangorod (Russian) side of the border with Estonia armed units of the St. Petersburg OMON [special purpose militia detachment] assumed guard posts, the Estonian news agency "Refak" reports.

The appearance of the OMON was motivated by the need to step up security on the border and at customs points where attempts had been made to export various goods, including weapons.

Latvia

Foreign Minister Survives No-Confidence Vote

OW0306135192 Moscow BALTFAX in English 1321 GMT 3 Jun 92

[Transmitted via KYODO]

[Text] The Latvian Supreme Soviet declined the proposal of 24 deputies on non-confidence in republican Foreign Minister Janis Jurkans at its session on Tuesday [2 June]. One of the main arguments towards Jurkans' support was the danger of the Foreign Minister's replacement before the elections to the Sejm (Parliament). According to the majority of deputies, his displacement can lead to destabilizing of the Latvian foreign policy which currently is characterized by instability.

In his turn the Foreign Minister promised to take into account the critics towards the Latvian Foreign Ministry. Additional funds are necessary for the improvement of the republican Foreign Ministry's activity and the government is to increase the Latvian budget for foreign policy.

Before discussing the question on Jurkans' fitting the occupied post, he managed to report to the deputies of the Supreme Soviet the concept of the foreign activity of the state for 1992 which was developed by the Foreign Ministry of the republic.

The Latvian Foreign Ministry considers that the republic's integration into the European Community is the main task of this moment. The Minister believes that a coordinated policy of the Baltic states can promote this process. Jurkans underlined that the economic ties with West and East must be retained. Latvia lays great hopes on close and equal cooperation with Russia.

Hangs On Despite 'Ultraradicals'

PM0506121792 Moscow KOMSOMOLSKAYA PRAVDA in Russian 4 Jun 92 p 3

[K. Markaryan report: "How They Tried To Fire the Latvian Foreign Minister"]

[Text] Riga—The almost month-long fuss caused by political radicals over Latvian Foreign Minister J. Jurkans is finally over.

The main reproach actually made against the minister by Ya. Vayvadsa, chairman of the "Satversme" ("Constitution") parliamentary faction, was that the head of the foreign policy department allegedly lacked any concept of foreign policy.

What prompted this personal attack was Jurkans's interview with the newspaper DIENA, in which the diplomat criticized parliament for its approach to the citizenship law and the amendments to the language law, through which "parliament is imposing open confrontation on society." Instead of a referendum on citizenship among "pure" citizens (the idea of Supreme Council Chairman A. Gorbunovs) the minister proposed polling all Latvia's permanent residents. He called the resolution on the return of Abrene (Pskov Oblast's Pytalovskiy Rayon) inconceivably reckless. And, in general, he transparently hinted that parliament had exhausted itself.

"I believe that the trend toward Latvian isolationism and anti-Russian sentiments is very destructive and politically primitive," the minister, who has managed to cling on to his post, told Latvian viewers on an evening TV program. "I think that Latvia's path lies with integration with Europe and the coordination of good-neighborly relations with Russia. But the most important point is to instill order in Latvian legislation and to strive for civic harmony."

Meanwhile, ultraradical civic committees are setting up their own shadow cabinet in which there is no room for Jurkans or many of his colleagues.

Defense Official on Possible U.S. Military Aid

LD2705182792 Riga Radio Riga International in Latvian 0430 GMT 27 May 92

[Text] As reported by Deputy Defense Minister Valdis Pavlovskis, senior U.S. officials expressed support during his recent visit to the United States for Latvia's efforts to strengthen its security. This relates both to the necessity for the withdrawal of Russian troops and to the formation of Latvia's own defense force. Military assistance to Latvia could take the form of providing military training as well as possibly cheaply acquiring U.S. equipment and transportation. Also discussed was the possibility of acquiring weapons manufactured in the United States.

Valdis Pavlovksis emphasized that the purchase of weapons would, of course, be a more difficult question, because all countries carefully supervise arms exports. At the moment, the Latvian Defense Ministry (?has acquired) weapons [words indistinct] pointing out that only mainly Russian-made arms are being used.

Valdis Pavlovskis also spoke of the necessity for Latvia to become a member of European security structures. At the moment the Latvian defense force consists of 1,800 men. By this summer the number will reach 2,500, but by next year weapons will be supplied to all the 9,000 men planned for the force.

UN Help Requested To Monitor Libyan Sub Repair

OW2805213592 Moscow BALTFAX in English 1848 GMT 28 May 92

[Transmitted via KYODO]

[Text] The Latvian Government stated it cannot guarantee that it will enforce UN sanctions against Libya, the "DIENA" newspaper reports. A special note sent to UN General Secretary Butrus Ghali by the Latvian Cabinet requests that a special commission be sent to the republic to examine military equipment, mainly at the Bolderaja [name as received] base. A Libyan submarine is at the base for repairs, a group of specialists from Tripoli is also at the base.

The note says that in spite of assurances from the Russian Foreign Ministry that the repairs have been stopped and the Libyan personnel will be sent home soon, the Latvian government is unable to verify these assurances as Latvian officials have been denied entrance to the 177th repair station where the submarine is located.

Lithuania

Landsbergis on Prime Minister's Resignation

OW2805213692 Moscow BALTFAX in English 1848 GMT 28 May 92

[Transmitted via KYODO]

[Text] Chairman of the Lithuanian Parliament Vytautas Landsbergis asked deputies not to rush into a decision on Prime Minister Gediminas Vagnorius's statement of resignation.

Speaking to Parliament Thursday [28 May], Landsbergis said that "the Prime Minister is highly qualified for the position and clearly understands governmental affairs". "If we orient ourselves on parliamentary elections in the Fall, I don't believe we should change the leadership of the executive branch", he said. The Speaker of the Parliament suggested that deputies not rush into a vote, but confer and "take a rational and wise break".

Parliamentary discussions of Vagnorius's resignation were postponed until June 2.

Landsbergis, Sajudis Leaders Address Parliament

LD0406210992 Vilnius Radio Vilnius Network in Lithuanian 0915 GMT 4 Jun 92

[Algirdas Usas report from the Supreme Council]

[Excerpts] A plenary session of the Supreme Council was scheduled for today, but you can hardly call them plenary sessions any more.

At 1000 this morning, the left side of the hall—or as it is called today the new majority—began a session in the main hall of parliament, while the Sajudis coalition For Democratic Lithuania started a session in the hall of the presidium at 1100. [passage omitted]

Two statements were made in the main hall, and after that Supreme Council Chairman Vytautas Landsbergis made an address.

Vytenis Andriukaitis made a statement on behalf of the Sajudis center faction.

[Begin Andriukaitis recording] Esteemed deputies: Allow me to read a statement by the Social Democrat deputies of the Supreme Council, which puts forward urgent measures to overcome the political crisis and ensure that the government and Supreme Council can continue to function until the new elections to the Seimas.

Having analyzed the speech at the Supreme Council by its chairman on 26 May 1992, and having assessed the political situation which developed after the 23 May referendum, the Social Democrat deputies of the Supreme Council resolutely declare:

In order all the suspicion existing among the deputies concerning the so-called creeping coup d'etat are eliminated, the following steps are necessary:

1. We must urgently adopt the law prepared by the reorganized national and moderate factions concerning the amendments to Articles 156 and 256 of the Regulations of the Supreme Council of Lithuania. [passage omitted]

6. We must urgently amend the law on government to reinforce a single stage government structure, joint decision making, working regulations, and a minister's responsibility for the decisions made by his ministry.

7. We must urgently amend the statute of the State Control Department to give the state controller the right to countersign government decisions withdrawing capital from the state budget. [passage omitted]

10. The Supreme Council chairman's proposal that deputies of all ranks and all government officials must declare their income should be made law as a matter of urgency. [passage omitted]

11. We must urgently approve the Lithuanian Labor Democratic Party parliamentary faction's proposal that a provisional amendment to the Basic Law be passed to ensure that only a national referendum can decide to make the Republic of Lithuania join any kind of commonwealth, federation, or confederations. [passage omitted]

13. The daily LIETUVOS AIDAS must be privatized and its state newspaper status must be abolished. The paper must be granted privileges to enable it to meet the needs of its readers. News of the Supreme Council and the government must be published giving information about the Supreme Council and quick explanations of legal information, laws, and decrees.

14. Until our national security has been confirmed, Deputy Balys Gajauskas must be temporarily appointed chairman of the National Security Council and relieved of the post of chairman of the parliamentary commission investigating KGB activity.

15. Lithuanian radio and television must be depoliticized. Lithuanian radio's relations with the Supreme Council and the government must be urgently regulated.

16. We must urgently improve the activity of the Litas committee, so that members of the committee take responsibility for its decisions.

17. We urgently need to confirm the site and rate of construction of an oil terminal, because this is a matter of special strategic importance.

18. A list of state posts which former nomenklatura workers of the CPSU and the Lithuanian Communist Party cannot hold or make appointments to must be urgently prepared and confirmed.

The list of the above nomenklatura should be submitted by the Lithuanian Labor Democratic Party, which must be aware of its full moral responsibility for the significance of this decision. The list will then be discussed by the Supreme Council and given final confirmation. Those currently holding such posts must be regraded and retrained.

19. We must urgently approve the Polish faction's proposal concerning the announcement of the date of the election to the Vilnius rayon and Salcininkai local governments.

20. The resignation of Prime Minister Gediminas Vagnorius must be urgently accepted. Because the change of governments is a normal phenomenon and the program of privatization is a long term and strategic program, the central privatization service must be divorced from the government, and it must be given the status of an institution for the privatization of state property accountable to the Supreme Council and under the control of the State Control Department. Gediminas Vagnorius must be entrusted with the task of heading this privatization institution to ensure that the process of privatization is not disrupted and that the initiators of the privatization reform supervise and take responsibility for the reform.

A member of the government must be made acting prime minister, and should declare confidence in those ministers who have the support of the majority until a new prime minister has been confirmed.

21. All factions and deputies must urgently sign a statement of confidence in the government so that it can function normally until the new elections to the Seimas. [passage omitted]

All these proposals of ours can be rapidly implemented because almost all the drafts have already been prepared by various factions. They would ensure the extension of the powers of the Supreme Council chairman, give him real power, and enable him to be regarded as president. They would provide the elements of constitutional supervision, and also give the government greater power and enable it to act quickly. These proposals would remove all mutual suspicion, and would help protect Lithuania from a power vacuum as it approaches the elections. [passage omitted]

These measures will preserve the political balance in Lithuania. [passage omitted]

The fear of a creeping coup d'etat will be completely removed by the implementation of the above proposals, and the Supreme Council chairman would become a force for unity, rising above factional interests. In these conditions, the date for the elections could be confirmed. [passage omitted] During the pre-election period, we must ensure that there is stability and that state institutions continue to function. Therefore, only after implementing the above proposals and creating an atmosphere of mutual trust can a suitable date for elections be set. The most realistic time for elections is late fall of this year. [passage omitted]

This has been signed by deputies Aloizas Sakalas, Vytenis Andriukaitis, Audrius Rudys, Nikolajus Medvedevas, and Vytautas Pleckaitis. [end recording]

[Usas] Then a statement was made by Vytautas Puplauskas on behalf of the Sajudis coalition For Democratic Lithuania.

[Begin Puplauskas recording] Most of the left wing forces which emerged in the Supreme Council are continuing to destroy the legal basis of the state, notwithstanding their public calls for law and order.

Crudely violating the Supreme Council regulations, this group of deputies is attempting to give their conferences the status of a Supreme Council session. We cannot ignore such violations of the law. This is misleading society, the offices of state offices, and our officials. [passage omitted]

We say that it was illegal to claim that the session held by the above group of deputies on 2 June 1992 was a session of the Supreme Council, because the required number of deputies was not present when the agenda was confirmed. The decisions adopted at this sitting are invalid. [passage omitted] [end recording]

[Usas] Finally a statement was made by Supreme Council Chairman Vytautas Landsbergis.

[Begin Landsbergis recording] [passage omitted] In all matters which are linked with the presence and behavior of the Russian army in Lithuania there is increasing tension, and increasing international tension. On the one hand we hear Russian military leaders giving increasingly frank explanations about their defense zones which they claim are essential to them, and their continuing border controls, etc. On the other hand, the West regards this as a refusal by Russia to remove its army. This, of course, supports us, but at the same time there is a certain polarization here—we need to be more united and, I would say, more active, in what we do in this respect, in our stand and, of course, in the referendum and everything else which currently constitutes our political struggle for the withdrawal of this army.

If there is no way out, we should perhaps think about some truce at least until 14 June, a procedural truce, and not think about who is to blame for the present situation in parliament, who is right and who is wrong. [passage omitted] I appeal to the factions sitting in this hall, to every deputy personally, to think, and to rise above party interests. [passage omitted]

Only one month remains to the Helsinki conference. We must carry out not only the referendum but also some other matters which I intend to propose to you. They are two documents. One of them is an act on the statehood of the Republic of Lithuania and the proposal to unite in post-soviet eastern unions. This would make it very clear what we are talking about. It is not the various unions in the world that cause concern, of which people in Lithuania are afraid; what causes them concern is the growing strength of the leftist forces in parliament. If we were somewhere far away in Europe, far from this eastern block, unaffected by various secret services and so on, there would be nothing special about our situation—leftist and rightist governments would be able to alternate.

Our situation is not like this. Therefore this act which I propose to you, which the Sajudis coalition is proposing, would reassure people in Lithuania and remove some questions about certain positions some parties here took in the not-too-distant past with their clearly expressed benevolence towards the Eastern bloc. [passage omitted] Among other things, this document rejects Russia, because when it prepares the further agenda of negotiations, the Russian side avoids directly including the question of troop withdrawal. They wish to include this with other issues and refuse to accept what they agreed previously—that the negotiations would about the withdrawal of the army. [passage omitted]

We are striving for the best possible relations with our neighbor Russia, but we will never join new economic, military, or other unions or communities built on the ruins of the USSR. [passage omitted]

This is closely linked with the border issue, with border control. We could instruct the government and the Defense Ministry to complete the taking over process. We could adopt this act quickly and I think that the factions present here will examine it and state their view. [passage omitted]

Apart from that, I would like to encourage you to express your stand on the priority of the state border law. All these things are linked, and if we carry out those actions until July and do what is really needed on our territory, we will be better protected from whatever may happen after the Helsinki summit. Our achievements will be based not just on what we achieve there, but on what we achieve before that. We do not know what may currently be happening among the great powers through the channels unknown to us. So if we do not fully achieve our aim, we may find ourselves in a worse situation, having failed to make use the most rational and effective use of this month. [passage omitted] [end recording]

Landsbergis Urges Adherence to 'Democratic Way'

LD0406020492 Vilnius Radio Vilnius Network in Lithuanian 1200 GMT 2 Jun 92

[Remarks by Lithuanian Supreme Council Chairman Vytautus Landsbergis during a question-and-answer telephone call-in program in Vilnius, hosted by unidentified correspondent—live]

[Excerpts] Thank you for offering me this opportunity. I would like to tell radio listeners not to be frightened by what is happening in the Lithuanian parliament. Further steps are possible for the transition of power into other hands, into the hands of people of earlier or leftist thinking. But a sufficiently influencial coalition of four parliamentary factions will not allow this to happen without any notice, smoothly and insidiously. We want to see open positions. I have said I favor this openness and so I am using the word we.

A session is now taking place in two different places. Parliament is divided, with more votes on the left. Sometimes decisions are made there that are theoretically legal, sometimes not legal, so-called protocol decisions with which they would like to influence the course of events. Perhaps they have partially influenced them.

Our common aim must be, as I continue to believe, the stabilization and solution of the situation in a democratic way, by elections. The Sajudis faction coalition proposes holding elections as soon as possible. Most likely, they will take place at the end of summer. This is possible and I do not see any weighty arguments to oppose it. The continuation of the current situation is not good The opponents of Sajudis also realize this. [passage omitted]

People are presently afraid that Lithuania may find itself subordinated to former communists or their leftist allies, those who are tied to the Eastern great commonwealth of the former Soviet republics, those who are not open to the West, to the democratic countries in Europe, to European alliances. [passage omitted]

Landsbergis Comments on Parliamentary Goals

LD0206143392 Vilnius Radio Vilnius in English 2300 GMT 1 Jun 92

[Text] The Lithuanian parliament chairman Vytautas Landsbergis said in yesterday's television broadcast that the Supreme Council was now working as a two-chamber parliament—one of the chambers, the Sajudis coalition, fighting what he called the rubber-stamping of bad resolutions. Under the present conditions, this is constructive work, as voting will take place only when the two blocks reach agreement during consultations on concrete decisions to be passed.

As Vytautas Landsbergis put it, new elections to the Diet may be held according to a mixed majority and proportionate system, although he himself is categorically against the latter. In the opinion of the parliament leader, agreement may be reached with a majority in parliament concerning the date of the elections in autumn (?and a) majority election system.

The chairman of parliament's center faction, Aloyzas Sakalas, has repeatedly dismissed Vytautas Landsbergis' accusations of a creeping coup in Lithuania. He pointed out at today's briefing that the idea of a coup or creeping counter-revolution is usually escalated when some high-ranking official is dissatisfied with a law or resolution adopted. This is the case now too, he said.

At the same briefing, Jonas Tamulis, a member of the liberal faction, criticized Vytautas Landsbergis' statement that the Lithuanian Supreme Council had become a two-chamber parliament. He called it a step towards extremely dangerous confrontation.

Landsbergis Postpones Visit to Brazil

OW0306003592 Moscow BALTFAX in English 1924 GMT 2 Jun 92

[Transmitted via KYODO]

[Text] Speaker of the Lithuanian parliament Vytautas Landsbergis has announced that he postponed his visit to Rio de Janeiro where he was invited to attend the UN Global Conference dealing with the problems of environmental protection and economic development. This decision by the head of the Lithuanian parliament reflects the complexity of the situation inside the country.

Baltfax has already reported about the confrontation in the Lithuanian parliament between the rightist factions headed by the "Sajudis" on the one hand, and the leftist, including Lithuania's Democratic Party of Labor, the Social Democratic Party, the Centrists, et al., on the other. The government crisis is further aggravating [as received] in the republic due to the apparent lack of credibility on the part of certain Lithuanian ministers to the policy pursued by Prime Minister Gedimanas Vagnorius. The Lithuanian delegation in Brazil includes General Director of the Environmental Protection Department Mr Evaldas Vebra, Chairman of the parliamentary Commission on Environmental Protection Mr Jonas Simenas and others.

The head of the Lithuanian parliament intends to arrive in Brazil later this month.

Parliament Speaker Fears 'Leftist Forces'

OW0306003792 Moscow BALTFAX in English 1924 GMT 2 Jun 92

[Transmitted via KYODO]

[Text] Speaker of the Lithuanian parliament Vytautas Landsbergis in his Tuesday [2 June] speech on the national radio expressed a fear that "the communists and other leftist forces oriented at the East rather than the West" may come to power in the republic.

The head of the Lithuanian parliament sees only one way out of this situation: expeditious democratic elections to the Sejm (parliament), possibly, early this fall. "Power can change hands, but only through the elections and not through recruiting the deputies," he noted. Mr Landsbergis expressed hope that all the political groups will have "enough common sense to concur to the mutually agreeable elections date".

The local observers believe that the Lithuanian parliament's Speaker is precipitating the elections in the hope that he could make good for the referendum on May 24 where the "Sajudis" supporters failed to collect enough votes to reinstate the presidential office in the republic.

Mironov Protests Government Supply Blockade

OW3005180692 Moscow BALTFAX in English 1532 GMT 30 May 92

[Transmitted via KYODO]

[Text] The Commander of the Northwestern group of forces Colonel General Valeriy Mironov announced a protest to the Lithuanian government connected with its decision (from May 28, 1992) forbidding the entrance of new military shipments and personnel to divisions stationed in Lithuania.

The statement distributed by the press center of the Russian Defense Ministry said that the Lithuanian government's decisions not only complicates the supply process but also prevents conscripts from being delivered to their assigned units to replace demobilized soldiers.

Army To Make Accusations Against Republic

LD0406204292 Vilnius Radio Vilnius Network in Lithuanian 1800 GMT 4 Jun 92

[Text] The government information bureau reports: According to available information, a meeting of all Russian Army officers is to take place on 15 June in

Moscow. It will be attended by representatives of other CIS countries. Provocative material about the alleged attacks by the Lithuanian Ministry of National Defense and other Baltic military formations against the servicemen of the former USSR military units, temporarily deployed on our territory, or their families is planned to be submitted at the meeting.

Concern is also provoked by the fact that officials of the services of the Russian Security Ministry have already been working for several days in the northern townlet of the city of Vilnius. A few days ago, Marcinkus, chairman of the Lithuanian Security Committee, paid a visit here.

The information bureau, as authorized by the Lithuanian Government, is warning the leaders of the military units temporarily deployed on the territory of the Republic of Lithuania and, above all, in Vilnius, if, under the cover [words indistinct] before the forthcoming referendum on the withdrawal of the Soviet army [words indistinct] attempts are made to provoke incidents or in any other way create conflicts, the whole responsibility will rest with the servivcemen of the former Soviet Union.

The Lithuanian Government invites Lithuanian residents to be calm and the Ministry of National Defense and other militarized structures strictly to observe [word indistinct] discipline.

Bank To Circulate New Coupon Denominations

LD2305203392 Vilnius Radio Vilnius in International Service in Lithuanian 2100 GMT 22 May 92

[Text] The Bank of Lithuania's administration has resolved to release into circulation from 25 May 50 and 100 denomination general coupons as currency banknote substitutes. These will be equivalent to 50 and 100 rubles banknotes and can be used in Lithuania for all payments just like the current usage of rubles.

General coupons in 200 and 500 denominations, which are also used like rubles, were introduced on 1 May.

Landsbergis Receives Grachev Protest Telegram

LD0306183292 Vilnius Radio Vilnius Network in Lithuanian 1300 GMT 3 Jun 92

[Text] On 1 June, Supreme Council Chairman Vytautas Landsbergis received a telegram from Russian Defense Minister Pavel Grachev. The minister writes that in the existing unstable political and social situation in Lithuania, groups of nationalists and some state and political figures of the Republic are attempting to create unbearable working conditions for the Armed Forces deployed on its territory while provoking and inciting an open hostility toward the servicemen.

Pavel Grachev notes in the telegram that the Russian leadership will not permit illegal actions with respect to the Armed Forces and the servicemen deployed on the territory of the Republic and that all measures would be taken in order to ensure the honor and dignity of the officers, enlisted men, and their families.

The telegram informs that the withdrawal of the troops from the territory of Lithuania is possible only on condition that guarantees are given by the leadership of Lithuania, otherwise the Russian Ministry of Defense reserves the right to raise the issue before the government of the Russian Federation that the withdrawal of the troops from the territory of Lithuania be halted until the situation is normalized. Answering the Russian defense minister's telegram, Vytautas Landsbergis wrote that in spite of the agreement with Russian President Boris Yeltsin, only by stretching the point could one say that the process of the withdrawal of the Russian troops from the territory of Lithuania has already started.

Russia has recognized on more than one occasion that the Republic of Lithuania has complete sovereignty, this means that the Russian laws cannot be applied on the territory of Lithuania. The Supreme Council chairman stressed that the actions of the Russian servicemen running counter to the laws of the Republic of Lithuania would be prosecuted in the future according to the laws of the Republic of Lithuania.

In the telegram, Vytautas Landsbergis reiterated the demand of Lithuania that Russia carry out is obligations to withdraw the Armed Forces from the territory of the Republic of Lithuania as soon as possible, especially from the capital city of Vilnius.

Russian Troops Negotiations Detailed, Viewed

LD2905145792 Vilnius Radio Vilnius Network in Lithuanian 1300 GMT 28 May 92

[Excerpts] At a news conference held on 28 May, Minister Aleksandras Abisala, leader of the Lithuanian delegation, stated that there was virtually no progress at the latest round of talks between the Lithuanian and Russian state delegations held on 26-27 May in Moscow. Most of the talks were devoted to procedural issues. Problems related to the withdrawal of the Soviet Army from Lithuania, which are of the greatest concern to us, were hardly discussed. Aleksandras Abisala acquainted journalists with the statement of the Lithuanian delegation. [passage omitted]

Aleksandras Abisala said serious negotiations with Russia will be possible only when it is willing to state the schedule and terms of the Army withdrawal. Unfortunately, Russia has not done so during this meeting. Abisala said it appears that our protests on the replenishment of Army units deployed in Lithuania with conscripts are not being heard. Unofficial information indicates that nearly 15,000 conscripts are due to arrive.

Abisala believes the position of the Russian delegation is to a great extent determined by the political situation in Lithuania. One has an impression that they hope to have an easier partner in the negotiations. High-ranking officers of the headquarters also are able to exert great pressure on the Russian delegation. Russia openly avoids the examination of the issue concerning damages inflicted to Lithuania. In spite of this, the Lithuanian delegation has presented an account of the damage to the Russian delegation. The damage inflicted by the foreign army is estimated at $150 billion. This sum may rise when the territories occupied at present by the Soviet Army are regained and their ecological condition determined.

The delegations have not agreed the next meeting date. It was agreed that roughly in a week's time the two countries' expert groups will meet in Vilnius.

BALTFAX Reports 'Unofficial' PLO Visit

OW0306140892 Moscow BALTFAX in English 1321 GMT 3 Jun 92

[Transmitted via KYODO]

[Text] A delegation of the Palestine Liberation Organization (PLO) is on an unofficial visit to Lithuania. The Palestinians are sharing their opinion on the settlement of the Middle East problem with the representatives of the Lithuanian Foreign Ministry.

A representative of the PLO's information service in Helsinki Zuhayr al-Wazir told newspaper "LIETUVOS RYTAS" that the PLO hopes to establish more close relations with the Baltic states. According to him, they can be on diplomatic level. Al-Wazir said that the PLO's leadership had authorized the delegation to negotiate on opening a PLO's mission in one of Baltic countries. The PLO's representative said that he hopes to open it next year. "I think it is incorrect to maintain relations with only one of the parties, I mean Israel and not to know anything about Palestine", al-Wazir declared.